

**Headquarters, U.S.
Marine Corps**

**MCO P7300.20
PCN 10210035600**



STANDARD ACCOUNTING, BUDGETING, AND REPORTING SYSTEM (SABRS) FINANCIAL PROCEDURE MANUAL

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001

MCO P7300.20
RFL-A4
9 JAN 1995

MARINE CORPS ORDER P7300.20

From: Commandant of the Marine Corps
To: Distribution List

Subj: STANDARD ACCOUNTING, BUDGETING, AND REPORTING SYSTEM
(SABRS) FINANCIAL PROCEDURE MANUAL

Encl: (1) LOCATOR SHEET

1. Purpose. To provide operating procedures for preparation and maintenance of financial records for activities operating under the Standard Accounting, Budgeting, and Reporting System (SABRS).
2. Action. Addressees will maintain this Manual as the basis for operations of the Standard Accounting, Budgeting, and Reporting System (SABRS).
3. Recommendations. Recommendations concerning the contents of the SABRS Financial Procedure Manual are invited. Such recommendations will be forwarded to CMC (RFL) via the appropriate chain of command.
4. Reserve Applicability. This Manual is applicable to the Marine Corps Reserve.
5. Distribution Statement. Approved for public release; distribution is unlimited.
6. Certification. Reviewed and approved this date.

H. LEE DIXSON
By direction

DISTRIBUTION: PCN 10210035600

Copy to: 7000100 (55)
7000093/8145005 (2)
700099,144/8145001 (1)

DISTRIBUTION STATEMENT A: Approved for public release;
distribution is unlimited

LOCATOR SHEET

Subj: STANDARD ACCOUNTING, BUDGETING, AND REPORTING SYSTEM
(SABRS) FINANCIAL PROCEDURES MANUAL

Location: _____
(Indicate location (s) of copy (ies) of this Manual)

ENCLOSURE (1)

SABRS FINANCIAL PROCEDURES MANUAL

RECORD OF CHANGES

Log completed change action as indicated.

| Change Number | Date of change | Date Entered | Signature of Person Incorporated Change |
|------------------|-------------------|-----------------|--|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

SABRS FINANCIAL PROCEDURES MANUAL

CONTENTS

CHAPTER

- 1 INTRODUCTION AND RESPONSIBILITIES
- 2 SYSTEM OVERVIEW
- 3 CODING STRUCTURES AND SOURCE DOCUMENT CREATION
- 4 FINANCIAL RECORDS AND REPORTS
- 5 REIMBURSABLES, ALLOCATIONS, AND WORK UNITS
- 6 CIVILIAN LABOR
- 7 BUDGET FORMULATION
- 8 COMPTROLLER OFFICE FUNCTIONS

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 1

INTRODUCTION AND RESPONSIBILITIES

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|--|------------------|-------------|
| GENERAL | 1001 | 1-3 |
| BACKGROUND | 1002 | 1-3 |
| COMPTROLLER FUNCTIONS AND RESPONSIBILITIES | 1003 | 1-3 |
| LEGAL AND ADMINISTRATIVE RESPONSIBILITIES OF COMMANDERS | 1004 | 1-4 |
| FAD ADMINISTRATOR RESPONSIBILITIES. . | 1005 | 1-5 |
| DEFENSE FINANCE AND ACCOUNTING SERVICE. | 1006 | 1-5 |
| DFAS AND MARINE CORPS RESPONSIBILITIES. | 1007 | 1-6 |

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 1

INTRODUCTION AND RESPONSIBILITIES

1001. GENERAL. This Manual, for use by all posts and stations, operating forces, and Marine Corps Districts, encompasses the principles and procedures for fund management, usage, and control under the Standard Accounting, Budgeting, and Reporting System (SABRS) . This Manual is intended to standardize operating procedures and responsibilities of Marine Corps units and activities under SABRS.

1002. BACKGROUND

1. SABRS is the Marine Corps accounting system for the Operations and Maintenance, Marine Corps and the Operations and Maintenance, Marine Corps Reserve appropriations.
2. SABRS was designed to replace several systems that were utilized to account for Operations and Maintenance appropriations throughout the Marine Corps. Implementation of SABRS began in October 1989 and was completed in September 1992.
3. SABRS operates through manual and mechanized input into a batch update system. Transactions affecting reservation, obligations, and expenses are manually posted or processed through various system interfaces into SABRS. Payments are processed through mechanized interfaces with various disbursing systems.

1003. COMPTROLLER FUNCTIONS AND RESPONSIBILITIES

1. Financial information is monitored and coordinated by the comptroller and his/her staff in order to provide the Commanding General or Officer with factual data essential for effective management control of the organization. Some of the responsibilities of the comptroller organization include:

a. Technical guidance and direction of financial matters throughout the organization as a staff service to the Commanding General or Officer.

b. Maintains classification of programs administered and

1004. SABRS FINANCIAL PROCEDURES MANUAL

their objectives and a current inventory of budget plans and program schedules.

c. Budget formulation, reviews, and execution to include future years, current year, and five prior years.

d. Review and comparison of execution performance against budgeted plans.

e. Maintaining military pay and administration of travel payments (advances and settlements).

f. Liaison with external audit agencies as required.

g. Maintain customer service representatives for the Defense Civilian Pay System.

h. Promotion of economy and efficiency in the performance of assigned programs.

2. Comptrollers are also responsible for maintenance of records supporting execution of approved budgets and the evaluation of fund usage. These duties include:

a. Maintains oversight of transactions posted in the accounting system to ensure validity and accuracy of postings. These evaluations should include proper usage of funds, coding used, validity of obligations, and timely posting of financial information.

b. Conducting evaluations and analysis of comptroller, fund administrator, and work center areas for the purpose of promptly detecting and correcting problems. Resolving unsatisfactory conditions arising in connection with established financial procedures, practices, records, and accounting system problems and deficiencies.

c. Ensuring proper records and source documents supporting fund execution are maintained by appropriate activities, such as fund administrators, for the life of the appropriation in accordance with current document retention regulations.

1004. LEGAL AND ADMINISTRATIVE RESPONSIBILITIES OF COMMANDERS

1. The Marine Corps philosophy of financial management is based

upon the principle that financial management is inseparable from command. Funding and its availability is essential for commanders to perform their assigned missions. Commanders have either legal or administrative responsibility for funds granted.

a. Legal responsibility over appropriated funds is cited in 31 U.S. Code 1517. Violations of this code are incurred for overcommitting, overobligating, or overexpending funds granted. Another limitation is placed on use of funds in 31 U.S. Code Section 1301 (a). This provision of the law pertains to the application of monies appropriated and requires that funds are used only for the programs and purposes that they were appropriated under. Legal responsibility is passed to major operating budget holders (OPBUD) and in some cases to sub-OPBUD holders.

b. Administrative responsibility is inherent in all levels of command where fund usage occurs. Work centers, fund administrators, planning estimate holders, have responsibility for funds delegated to them from the commander to use them in accordance with applicable laws and regulations. These include responsibilities including not overobligating or overexpending funds granted and ensuring that the use of funds is in accordance with the purpose and programs which they were granted.

2. NAVMC 2664, Financial Guidebook for Commanders, contains all the legal and administrative responsibilities of commanders concerning financial management.

1005. FUND ADMINISTRATOR RESPONSIBILITIES. Fund Administrators and their assigned financial management personnel are responsible for proper control and execution of funds granted them from the OPBUD holder. These responsibilities include the proper creation of source documents; maintaining and monitoring financial document files and memorandum records; monitoring available fund balances to ensure funds granted are not overobligated or overexpended; and ensuring funds are executed for valid requirements provided under the executed appropriation.

1006. DEFENSE FINANCE AND ACCOUNTING SERVICE

1. The Defense Finance and Accounting Service (DFAS) came into existence in January 1991 through the issuance and approval of Defense Management Report Decision (DMRD) 910. DMRD 910 decision created DFAS and directed this agency to:

a. Capitalize finance and accounting functions of the separate Department of Defense (DoD) components.

b. Assume responsibility for all finance and accounting regionalization and consolidation efforts throughout DoD.

2. DFAS was chartered as the "accounting firm for DOD". DFAS has functional responsibility for DoD finance and accounting policies, procedures, standards, systems, and operations. Each service is provided finance and accounting support through a primary service center of DFAS. For the Marine Corps the primary service center is located in Kansas City, MO. DFAS Kansas City Center (DFAS-KC) owns and controls the accounting system, SABRS, that is utilized for recording and reporting the execution of the Operations and Maintenance appropriations. Future SABRS enhancements will include recording and reporting other appropriations beyond the Operations and Maintenance appropriations.

1007. DFAS AND MARINE CORPS RESPONSIBILITIES

1. DFAS-KC is responsible for the monthly reporting of accounting information affecting the Marine Corps. DFAS is also tasked with the processing and posting of liquidations or payments that effect the Operations and Maintenance appropriations.

2. DFAS Kansas City Center works through satellite offices located at major installations called the Defense Accounting Office (DAO) . The DAO is tasked with local support of SABRS. This includes scheduling and running cycles, reporting system problems and deficiencies to DFAS-KC, and aiding comptrollers in resolving accounting problems and issues. Eventually, the DAO's will be consolidated by DFAS.

3. The Marine Corps is responsible for fund management. Legal and Administrative responsibility is resident with Commanding Generals and Officers so assigned and not with DFAS. In other words, responsibility for fund management, usage, and execution resides with the Marine Corps. The information contained in this user Manual is essential in aiding comptrollers and their fund administrators in properly controlling and executing the Operations and Maintenance appropriations.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 2

SYSTEM OVERVIEW

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|------------------------------|------------------|-------------|
| INTRODUCTION | 2001 | 2-3 |
| ACCOUNTING LEVELS | 2002 | 2-3 |
| SUBSYSTEM OVERVIEW | 2003 | 2-4 |
| TRANSACTION CYCLE | 2004 | 2-7 |

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 2

SYSTEM OVERVIEW

2001. INTRODUCTION

1. SABRS is a financial accounting system that is designed to standardize accounting procedures throughout the Marine Corps for all units (Headquarters, Marine Corps, Posts and Stations, Fleet Marine Forces, Recruiting Districts, and Reserve Activities). SABRS currently accounts and reports fund execution for the Operation and Maintenance, Marine Corps and Operation and Maintenance, Marine Corps Reserve appropriations. In the near future, SABRS will also account and report execution for allotments (Family Housing, Miscellaneous appropriations, etc.).

2. SABRS is designed to match budget formulation data with budget execution information. Elements and coding fields used in formulation are also utilized in execution to tie the actual obligation of funds back to authorized and budgeted amounts.

2002. ACCOUNTING LEVELS

1. SABRS accounts for funds at three levels. These are transaction level, program level by use of the Financial Information Pointer, and General Ledger account level. Transaction level captures data at the lowest, individual document level. These transactions update the appropriate subsystems) in SABRS and provide both the program level information (through the financial information pointer assigned to each individual transaction) and the General Ledger account update information.

2. There are two keys in SABRS for transaction tracking and information collection. The first is the individual document number assigned to a source transaction. Document numbers allow for unique classification of a single requisition, training agreement, travel order, etc.. Document numbers allow fund administrators and work centers the ability to track each transaction processed in SABRS from creation to completion.

3. The second key in SABRS is the Financial Information Pointer or simply FIP. FIP's are comprised of data fields that are used to accumulate and categorize cost from the appropriation level

down through purpose of fund usage for budget execution and management purposes. The proper use of FIP's is the essential key for linking execution information with budget formulation data.

2003. SUBSYSTEM OVERVIEW

1. SABRS is comprised of thirteen subsystems. These systems are functionally divided or separated into three categories of spending, budgeting, and supporting subsystems. All processing pertaining to a specific function is contained in a subsystem (i.e., all material and services transactions are processed in the Material and Services subsystem, all travel records are processed in the Travel subsystem, etc.).

2. The thirteen subsystems, functionally grouped are:

a. Spending Subsystems

1. Travel
2. Material and Services
3. Labor

b. Budgeting Subsystems

1. Budget Formulation
2. Budget Execution

c. Supporting Subsystems

1. Plant Property
2. General Ledger
3. Reimbursable
4. Expenditures and collections
5. Facilities
6. Allocations
7. Report Inquiries
8. Table Management

3. The Marine Corps spends authorized funding in three ways; civilian labor, transportation of personnel, and material or service purchases. SABRS has a subsystem to handle each of these. The spending subsystems are considered the major subsystems in SABRS. Budgeting subsystems handle the formulation

of budgets for submission and are used to issue authorities realized down to levels below the operating budget. Supporting subsystems are specialized to assist in system management, accounting of funds, or providing information for users to manage the execution of Operations and Maintenance funds. Descriptions of the subsystems are:

a. Plant Property. The plant property subsystem allows users to record capitalized property designated under classifications I (land) and II (buildings and structures). Once information is recorded in this subsystem, the appropriate general ledger accounts are updated. Information keyed into this subsystem is passed to the Navy to update their property file used to account for Navy wide land and buildings.

b. General Ledger. The general ledger subsystem accumulates data by individual ledger account number. Ledger account numbers used are the standard, five digit account numbers specified by DoD. The general ledger is the highest level of accounting performed by SABRS. All other spending subsystem's pass information into the general ledger for processing and account updates. The information passed from the spending subsystems of travel, labor, and material, and the other supporting subsystems are classified into either debits or credits for specific general ledger accounts update. These updated accounts are then used for creation of reports for higher headquarters that cite the financial position of the command, OPBUD, and overall Marine Corps concerning the Operations and Maintenance appropriations.

c. Reimbursables. The reimbursable subsystem records execution information on reimbursable authorizations the unit or command has accepted from other activities for the purpose of performing work or services in return for payment of the cost of delivering the requested good or service. This subsystem records expenses and collection on the authorization, performs calculations for monthly billings, creation of monthly billings, and maintains a record of the overall status of the reimbursable order.

d. Expenditures and Collections. The expenditure and collections subsystem processes all payment transactions (i.e., public vouchers, interdepartmental billings, collections, corrections, etc.) passed to SABRS from mechanized sources or manually keyed. This subsystem also allows for the mechanized

creation of correction notices (NavCompt form 621) sent to DFAS to correct erroneous data contained in payment records charged against a commands OPBUD.

e. Facilities. This subsystem is currently not available for use in SABRS.

f. Travel. The travel subsystem processes and accounts for all funds spent on travel of personnel involved with temporary additional duty (TAD). Users enter the basic information for TAD order creation into SABRS. The subsystem produces the 'shard copy' orders and handles the financial procedures of reserving, obligating, and expensing the entered dollar amounts. The system divides cost into four categories of per-diem, transportation, other transportation, and miscellaneous costs. The subsystem will create orders for individuals or groups, and will create orders for different sources of funding (i.e., command pays for orders or another activity is paying for the TAD).

g. Material and Services. The material and services subsystem processes and accounts for all supply, services, and miscellaneous transactions. Source transactions include contracts, purchase orders, mechanized supply requisitions, printing orders, training agreements, in and around travel, and other miscellaneous transactions. Transactions are processed through batches, with Document Identifier Codes or DIC's as the key telling SABRS to post a reservation, obligation, expense or a combination of those postings. Information keyed into batches is processed by SABRS when cycles are run.

h. Labor. The labor subsystem distributes labor expense in SABRS. Expense is assigned through the use of FIP's identified with each employee on SABRS Personnel History File or PHF. The PHF contains a record of each employee, which includes pay rates and a normal working FIP. This file is used to post an 80 hour, two week payroll cycle expense for each employee.

i. Budget Formulation. The budget formulation subsystem is utilized to form initial funding requests to HQMC. The subsystem is designed around a FIP, which identifies the appropriation, subhead, program element, OPBUD or major activity, object class, subobject class, and cost account code. Funding is requested by command/OPBUD or can be requested down to the fund administrator level. Information recorded in the formulation subsystem can be moved to the execution subsystem to create a 'base-line' for execution comparison and monitoring.

j. Budget Execution. The budget execution subsystem is utilized to pass authority received by HQMC or major OPBUD to commands fund administrators and work centers. This subsystem is also used to create reimbursable authorization profiles in the system. Further, this subsystem is used in recording work unit information for cost accounting purposes.

k. Allocations. The allocation subsystem allows activities that provide goods and services to other activities the ability to distribute or transfer these costs to the consuming activity. When distribution is accomplished, the available balance of the providing activity is increased by the amount transferred. The available balance of the consuming activity is decreased by the transferred amount. Allocations can be made based on fixed amounts, usage rates, or variable rates.

l. Reports Inquiry. The reports inquiry subsystem allows users to perform on-line inquiries of system information. The information available is current as of the last run system cycle. The information is provided to users through terminal screens. The reports inquiry subsystem provides information on budget execution, reimbursables, material and services, labor, and TAD.

m. Table Management. The table management subsystem allows users to query information contained in SABRS edit tables. Select users are allowed to update locally controlled tables. SABRS is a table driven system. Proper maintenance on local tables is essential for proper system functioning. Most edit checks on input data is based on information contained in one or more system tables.

2004. TRANSACTION CYCLE. SABRS operates around a four step cycle for each specific execution or spending transaction processed. These steps are Reservation, Obligation, Expense, and Liquidation. These steps are processed individually as a source document goes from creation (source document is created to order goods, services, or send someone TAD) to completion (ordered goods and services received and paid for). In some cases, various steps are combined together when entered into SABRS based on the type of transaction being processed. The following is a description of the steps in' the transaction cycle.

a. Reservation. An administrative reduction of the Fund Administrator or Work Centers available balance. A reservation sets aside funds for a future purchase of goods or services that

have been requested. A reservation does not commit the Government to acquire goods or services, nor spend funds out of the United States Treasury. Creating a reservation is strictly a fund management tool to aid users in having an overall 'picture' of their fund balance that accounts for items requested that will eventually use authorized funds when the order becomes an obligation.

b. Obligation. A firm agreement to purchase goods or services. An obligation entitles a person, organization, firm, etc. to payment from the United States for performance of requested service or delivery of ordered goods and materials. Once funds are obligated to cover the amount authorized on official source documents (i.e., contracts, purchase orders, TAD orders, incurred liabilities to employee's, etc.) these funds cannot be used for any other purpose. Obligations officially reduce the amount available for a work center, fund administrator, or command to purchase other goods and services. Obligation amounts may be changed based on legal cancellation of the ordered goods and services or based on price or entitlement adjustments.

c. Expense. An expense occurs after goods or services that were previously ordered are received by the unit or are applied/consumed in the accomplishment of assigned missions. Basically, an expense is the use or consumption of goods and services.

d. Liquidation. Payment to persons, organizations, firms, etc. for delivery of legally ordered goods and services. This is the final step in the transaction cycle, when a check is cut on the United States Treasury to pay for goods or services. Final payments posted into SABRS will complete the individual source transactions and move them from active records to history, provided that all money fields (reservation, obligation, and expense) equal the amount of the payment.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 3

CODING STRUCTURES AND SOURCE DOCUMENT CREATION

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|--|------------------|-------------|
| GENERAL | 3001 | 3-3 |
| FINANCIAL INFORMATION POINTER. . . | 3002 | 3-3 |
| LOADING FIPS INTO SABRS. | 3003 | 3-6 |
| LISTING OF VALID FIPS | 3004 | 3-6 |
| SABRS TABLES | 3005 | 3-7 |
| SABRS FISCAL CODES MANUAL | 3006 | 3-7 |
| ACCOUNTING CLASSIFICATION CODE . . | 3007 | 3-7 |
| DOCUMENT NUMBER CONSTRUCTION . . . | 3008 | 3-11 |
| COMMON SOURCE DOCUMENTS. | 3009 | 3-13 |
| ENTERING MATERIAL SERVICES TRANSACTIONS INTO SABRS. | 3010 | 3-15 |
| ENTERING TRAVEL TRANSACTIONS INTO SABRS | 3011 | 3-16 |

CHAPTER 3

CODING STRUCTURES AND SOURCE DOCUMENT CREATION

3001. GENERAL. SABRS is built around two central keys for cost collection and transaction identification. Those keys are the Financial Information Pointer and Document Number. For users to properly enter and track information in SABRS, a thorough understanding of the coding structures used for source document creation and input is required. This chapter will cover coding structures used to create source documents and coding necessary to process transactions into SABRS.

3002. FINANCIAL INFORMATION POINTER

1. The Financial Information Pointer or simply FIP is the SABRS key to match execution information back with budget formulation data. The FIP classifies the type of funds used and the purpose that funds were executed. Through the proper assignment and use of FIP's, users and managers can determine:

- a. Operating Budget (OPBUD) holder or the major activity using funds.
- b. Appropriation and subhead charged.
- c. Program element category that funds were used.
- d. Category of expense (i.e., labor, TAD, etc.) funds were used for.
- e. Purpose for which funds were executed such as administrative support, maintenance, etc..
- f. What internal unit spent funds (i.e., fund administrator, work center).

2. The FIP consists of 30 alpha/numeric characters contained in ten data fields. The use of these fields in various combinations classify funds executed into who spent the money, appropriation used, and purpose for which funds were executed. The following is the elements that comprise the FIP and an explanation of each field:

- a. Activity Address Code (AAC). This field is really

misnamed. The usage of this field is for the Major Activity Code. The field is 6 digits, with the first digit being the service designator of 'M'. The code used in this field must be loaded to SABRS local table 001. An example of this code is 'M00027' which is the major activity code that identifies Headquarters, Marine Corps. The major activity code used must be loaded as a Unit Identification Code with NavCompt (only if used for other purposes such as DODAAD identifier, OPBUD symbol, etc.)

b. Fund Administrator Code (FA). This is a two digit, locally assigned code, that is used to identify a major organizational breakdown within a major activity. These codes are used to identify a specific battalion within a division, a department such as facilities within a base structure, etc.. The codes assigned as FA's must be loaded to SABRS local table 019.

c. Work Center Code (WC). This is a two digit, locally signed code, that is used to identify organizational breakdowns within a fund administrator. These codes can be used to identify a company within a battalion, the plumbing shop within the facilities department, etc.. The codes assigned to identify WC's must be loaded to SABRS local table 0-1.

d. Fund Code (FC). This is a two digit code assigned by Headquarters, Marine Corps (refer to MCO 7301.117) that is used as a short key to identify the appropriation, subhead, program element, and DoD activity group/subactivity groups being used when the FIP is entered into SABRS. This is one of the critical elements of the FIP that matches budget formulation information with budget execution data. Users must ensure that fund codes assigned in FIP's are valid for the programs they budgeted under. FC's must be loaded to SABRS central table 020. FC's and their definitions for use and purpose, are listed in the current version of the SABRS Fiscal Codes Manual.

e. Object Class/Subobject Class (OC/SOC). This is a four digit code that classifies the category of expense being incurred for the processed transaction. The code classifies charges to categories of civilian compensation and benefits, travel, printing, rentals, equipment purchases, miscellaneous supplies, etc.. The first two digits of this code is the broad category object class specified by DoD directives. The last two digits break the broad object class category into sources of supply, types of TAD, category of civilian labor, etc.. An example is

OC/SOC 2114, where the 21 represents TAD expense and the 14 is the TAD expense is for site visit per diem. OC/SOC codes used in the FIP must be loaded to SABRS central table 049. The definitions of all valid OC/SOC codes are contained in the SABRS Fiscal Codes Manual.

f. Cost Account Code (CAC). This is a four digit code that defines the purpose or use of funds below the OC/SOC level. The CAC is the lowest required level of cost categorization in SABRS. CAC's tell users and managers the specific purpose that funds were executed. CAC's also point to a specific cost category in SABRS such as base support, flight operations, facilities, etc.. The link between CAC's and cost categories is the 'SABRS activity group and subactivity group codes' that the CAC is associated with (SABRS activity group/subactivity group codes are not the same as the DoD budgetary activity group/subactivity group codes identified by a Fund Code). There can be several different CACs that have the same definition, such as administration, but point to the different categories of base support, facilities, etc. When choosing CAC's listed in the SABRS Fiscal Codes Manual, first determine the overall SABRS activity group the cost will be associated with. Next, review the breakdowns or SABRS subactivity groups under the selected activity code. To determine the appropriate activity and subactivity group, use information contained in SABRS central table 064. Once those areas are decided upon, review and select the CAC that best describes the purpose funds will be used for under the chosen activity group and subactivity group category. The CAC cited in the FIP must be loaded to SABRS central table 014.

g. Budget Reporting Code (BRC). This is a two digit code assigned to track all costs, regardless of command, fund administrator, fund code, etc. for a specific high interest program. By use of a standard BRC throughout the Marine Corps, all costs associated with specific operations such as Somalia or specific exercises can be captured and quickly identified at the headquarters level. BRC codes are not a required field in the FIP. This field may be left blank. If a BRC code is used, the code must be loaded to SABRS central table 010. All valid BRC codes are listed in the SABRS Fiscal Codes Manual. This field may also be used on the local command level to track programs or cost of local concern. Locally assigned BRC codes must be loaded to SABRS local table 018. The codes loaded to 018 are for local management only and created and assigned without prior HQMC approval.

h. Job Order Number/Local Use Code (JN/LN). This is a four digit code that is locally assigned to aid WC's, FA's, or a command in tracking specific local interest items. This field is not edited by any other SABRS table. This field may be left blank when creating and using FIP's.

i. Reimbursable Order Number (RON). This is three digit locally assigned code used to identify a specific, accepted, reimbursable authorization. The RON cited in this field must be loaded into SABRS through the Budget Execution Subsystem (option used is create/modify reimbursable profiles). A RON must be present in the FIP if the desired outcome is to execute funds authorized in a reimbursable order. The RON cited in the FIP is the key for tying costs back to the reimbursable authorization for billing purposes. If the FIP is created for collecting the cost of work executed against a reimbursable order, this field must be filled, otherwise this field will be blank.

j. Reimbursable Billing Code (RBC). This is a one digit cob that is loaded with the reimbursable authorization profile to identify a specific line of appropriation provided by the reimbursable customer for billing purposes. If a RON is cited in the FIP, an RBC code must also be cited. If the FIP is not for cost collection of a reimbursable, this field is left blank.

3003. LOADING FIPS INTO SABRS. Once FIP requirements are determined, the FIP's must be loaded into SABRS before any spending transaction can be entered into the system. FIP's may be loaded to one of two tables. The S-Generic FIP Table (table 025) is used primarily to load FIP's pertaining to civilian labor or TAD. The S-Generic FIP table will generate FIP's that pass the edits within SABRS and load them to the S-FIP table 073. All other FIP's should be loaded directly to table 073. When loading FIP's to table 073, remember to key in a 'Y' in the active field. Instructions for loading FIP's to tables 025 and 073 are contained in the SABRS Table Management Users Manual.

3004. LISTING OF VALID FIPS. Each WC and FA should maintain a listing of all valid FIP's loaded into SABRS for use in executing authorized funds. This list should include the FIP code, with all elements shown, and a description of the use of the FIP. For most users this list will not be long. It must be remembered that the proper use of FIP's is essential for management and fund

control to marry the execution information with budget formulation data.

3005. SABRS TABLES. Each command is responsible for loading and updating information in SABRS local tables. These tables include valid FA codes, WC codes, FIP's, default FIP's for supply transactions, etc. Local table are listed in the SABRS Table Management Users Manual. This manual will provide descriptions of the local tables and what information is required for table update. Central tables are controlled by DFAS, Kansas City Center. Any additions or changes to central tables should be requested through Headquarters, Marine Corps (HQMC) (code RFL). These requests will be forwarded by HQMC to DFAS for system update.

3006. SABRS FISCAL CODES MANUAL. Information contained in the SABRS central tables is listed in the SABRS Fiscal Codes Manual. This document is updated when changes are made to the central tables and released electronically to all processing centers. Copies of the manual may be obtained by running job procedure "G71"G71UAA10"10". This procedure provides a printout of the Fiscal Codes Manual. Another useful document for finding authorized codes is the SABRS Data Dictionary. In many respects, this document may be used in place of the Fiscal Codes Manual. Copies of the SABRS Data Dictionary may be obtained by running job procedure "G71"G71UAA10"20". Finally, users can use an on-line inquiry into the SABRS tables through selection number 13 of the main menu. This capability allows users to view codes loaded to a specific table.

3007. ACCOUNTING CLASSIFICATION CODE

1. The Accounting Classification Code was created as a means of standardizing accounting information for reporting execution information to internal and external managers. The code is especially important for disbursing activities. The code reflects information that identifies Marine Corps funds used when payments are posted at the United States Treasury. In basic terms, the accounting classification is the 'checking account number' at Treasury.

2. By proper use of the accounting classification code, the

following information can be derived by internal Marine Corps users and external agencies:

- a. The DoD department that is using funds.
- b. The specific appropriation granted by Congress that is being charged.
- c. The major budget program and sub-program that funds were executed for.
- d. Which major activity or OPBUD executed the funds.
- e. Which activity is responsible for the official accounting of the executed transaction.
- f. The type or category of payment made for the transaction.

3. The accounting classification code is cited on most source documents that commit, reserve, or obligate funds for the purchase of goods, services, TAD, and labor. Source documents include contracts, purchase orders, training agreements, TAD orders, reimbursable authorizations, etc.. The code is shown on all public vouchers created and processed for payments.

4. The accounting classification code is comprised of 10 separate data fields. The following are the elements that comprise the code and an explanation of each field:

- a. Accounting Classification Reference Number (ACRN). A two digit field used by some financial and disbursing systems as a short key to identify the accounting classification code cited on a specific source document. The first line of accounting classification information shown on a source document will normally reflect an ACRN or AA. With the exception of AI and AO, subsequent lines will normally reflect ACRN's of AB, AC, etc.. Since source documents frequently cite multiple lines of accounting classification codes, the ACRN identifies each line and serves as a numbering mechanism on the document. ACRN's are used with all source documents other than MILSTRIP.

- b. Appropriation Symbol. A seven digit code assigned by the United States Department of the Treasury to uniquely identify a congressional approved appropriation which is being charged by

the source transaction. The symbols used are 17*1106, which identifies the Operations and Maintenance, Marine Corps (O&M,MC) appropriation, and 17*1107, which identifies the Operations and Maintenance, Marine Corps Reserve (O&M,MCR) appropriation. The asterisk (*) represents the fiscal year applicable to the appropriation.

c. Subhead. A four digit code that represents the administering office and the budget program that funds are executed under. The first two digits (27) represents the Marine Corps as the administering activity of the funds. The last two digits represents budget program. Valid subhead codes are:

1. Subhead Codes Fiscal Year 1994 and Forward (under appropriations 1106 and 1107).

- a. 27A0 - Operating Forces, Expeditionary Forces
- b. 27B0 - Operating Forces, Prepositioning
- c. 27L0 - Training and Recruiting, Accession Training
- d. 27M0 - Training and Recruiting, Basic Skills and Advanced Training
- e. 27N0 - Training and Recruiting, Recruiting and Other Training and Education
- f. 27T0 - Administration and Service Wide Activities

2. Subhead Codes Fiscal Year 1993 and Prior (under appropriations 1106 and 1107).

- a. 2710 - Mission Forces (Appropriation 1107)
- b. 2720 - General Purpose Forces (Appropriation 1106)
- c. 2730 - Other Support (Appropriation 1107)
- d. 2770 - Central Supply and Maintenance (Appropriation 1106)
- e. 2780 - Training, Medical, and Other General Personnel Activities (Appropriation 1106)
- f. 2790 - Administrative and Associated Activities (Appropriation 1106)

d. Object Class. A three digit code that is currently zero (0) filled in the classification code.

e. Bureau Control Number (BCN). A five digit code used to identify the Operating- Budget Holder (OPBUD) or Sub OPBUD holder of the funds being cited on the source document. An example of this code is HQMC BCN of 00027.

f. Suballotment Number (5A). A one digit field used to identify a centrally managed operating budget (CMOB) administered at HQMC. CMOB's are established to account for items or functions where one office managing funding and costs is more appropriate from a control and administrative perspective than distributing funds to each command. CMOB's are established for unit deployment, foreign currency fluctuations, 2nd destination transportation, etc. See MCO 7040.8 for suballotment codes applicable to CMOB's. If funds being used do not come from a headquarters controlled CMOB, this field will be left blank or zero (0) filled.

g. Authorized Accounting Activity (AAA). A six digit code used to identify the activity responsible and authorized to perform accounting functions for the BCN/OPBUD holder.

h. Transaction Type Code (TT). A two digit code used to classify payments/receipts as to purpose or category. Frequently used codes include 1K (travel advance), 2D (miscellaneous payment), 3C (reimbursement collection), etc.. Valid transaction type codes are listed in NavCompt Manual, Volume 2, Chapter 8.

i. Plant Accounting Activity (PAA). A six digit field that is used as follows:

1. For TAD documents, this field will contain the travel order number (TON).
2. For equipment purchases that are classified as Plant Property (refer to Navcompt Manual, Volume 3, Chapter 6), place the activity designator code or Unit Identification Code (UIC) identifying the activity responsible for plant property accounting.
3. For all other documents not covered by conditions 1 and 2 above, zero (0) fill.

j. Cost Code. A 12 digit code used for local identification of transactions. For TAD documents, this field will be automatically assigned by SABRS when the orders are created through the travel subsystem. If transactions affect a CMOB (Suballotment field reflects a number other than 0), refer to MCO 7040.8 for coding structures to be placed in this field. For all other types of transactions, this field will be locally determined. It is recommended; however, that commands use the last 12 digits of the document number assigned to the source document in this field (document numbers are explained in paragraph 3008 of this Manual). By using the last 12 digits of the document number, the DAO office will have an alternative means of determining the document number to post payments against when disbursing transactions are processed as undistributed.

5. An example of a complete Accounting Classification Code is:

| <u>ACRN</u> | <u>APPN</u> | <u>SUBHEAD</u> | <u>OBJ</u> | <u>BCN</u> | <u>5A</u> | <u>AAA</u> | <u>TT</u> | <u>PAA</u> |
|-------------|-------------|----------------|------------|------------|-----------|------------|-----------|------------|
| AA. | 1751106 | 27A0 | 000 | 00027 | 0 | 000027 | 2D | 000000 |

COST CODE

08695MD50001

3008. DOCUMENT NUMBER CONSTRUCTION

1. Document number is the second major key to the SABRS system. A document number is used to uniquely identify a specific source transaction for tracking, recording, and management purposes. Since a document number is the key to identify a specific source document in SABRS, no two document numbers can be the same within a given major activity and its fund administrators and work centers. Document numbers must be unique and cannot be repeated during a given fiscal year.

2. Document numbers are normally created and assigned to a source transaction at the unit level that prepares the initial request or order for goods and services. SABRS accommodates two distinctive formats for document numbers. The first is a Military Standard Requisitioning and Issue Procedures (MILSTRIP) format. The MILSTRIP document number consists of 14 digits constructed as follows:

a. Activity Address Code (AAC). Position 1-6 of a MILSTRIP document number. The AAC is a unique code assigned to identify specific units throughout the Marine Corps for supply and billing purposes. The AAC used in the document number must be loaded to the Department of Defense Activity Address Directory (DODAAD). Instructions for assignment of AAC's is contained in MCO 4420.4. The AAC loaded to the DODAAD provides mechanized supply systems with addresses to ship material, bulk shipment warehouse addresses, and where to send the bill to pay for the ordered goods. The AAC used in document number construction must be loaded to SABRS Local Table 001.

b. Julian Date (JD). Position 7-10 of a MILSTRIP document number. The JD is composed of the current three digit date (001 which represents January 1, through 365 which represents December 31 (366 represents December 31 during leap years)), preceded by one digit representing the calendar year (example is 4 would represent calendar year 1994).

c. Serial Number. Position 11-14 of a MILSTRIP document number. Serial numbers are normally sequentially assigned by the unit ordering material or services. Serial numbers assigned to document numbers may be repeated during the year as long as the Julian date used in the document number is changed.

3. The second type of document number used by SABRS is a Standard Document Number or SDN. The SDN is 15 digits comprised of several fields. The SDN is used on all documents that do not require a MILSTRIP number for mechanized system processing. SDN's are used on all travel documents, most activities contracts, purchase orders, training agreements, reimbursable authorizations, etc. The SDN is constructed as follows:

a. Activity Address Code (AAC). Position 1-6 of a SDN. Serves the same function as described in 3008.2a.

b. Fiscal Year (FY). Position 7-8 of a SDN. This field will contain the applicable two digit fiscal year indicator applicable to the appropriation being used. Ex. Fiscal year 95 would represent funds executed under the appropriation approved for 1995.

c. Document Type Code. Position 9-10 of a SDN. This field will contain a two digit code that generally classifies the reason or purpose for the document. Ex. Document type code of 'TO' means source transaction is for travel or TAD, 'WR' means

the source transaction is a work request. SABRS Central Table 090 contains all the valid document type codes that can be used when constructing a SDN.

d. Serial Number. Position 11-15 of a SDN. This field is locally assigned to distinguish individual source transactions. The serial number may be created using both alpha and numeric characters. The serial number is automatically assigned to travel orders by SABRS when TAD orders are created through the system. The serial number for travel orders will begin with an 'O', 'E', or 'C', which identifies the traveler as officer, enlisted, or civilian. The last four digits will be automatically assigned from SABRS local table 077.

4. The serial numbers assigned when creating SDN's cannot be repeated during the fiscal year for the same AAC and Document Type Code in SABRS. Each time a specific AAC creates a miscellaneous document (document type code is equal to 'MD') for a given fiscal year, the serial number must reflect a number or code that has not yet been assigned during the year to any other source transaction. Due to this fact, users will need to create some type of tracking system (i.e. database, logbook, spreadsheet, etc.) to maintain a record of SDN's that have been created and assigned to source transactions during the year. Maintaining a record of SDN's assigned is only necessary for source documents other than TAD. As long as orders for TAD are created through SABRS, the system will assign unique serial numbers to each set of orders created.

3009. COMMON SOURCE DOCUMENTS

1. Many of the forms used to order goods and services are standard throughout the Marine Corps and the Department of the Navy. The following are common form numbers, titles, and uses of source documents:

a. DD Form 1348 - MILSTRIP requisition form. The DD form 1348 is used to requisition a single national stock number (NSN) item through one of the mechanized supply systems used throughout the DoD and other Government agencies. The top of the form is divided up into 80 characters. This information is normally sent electronically to a supply unit that stores or manages the specific item being ordered. The form contains no accounting classification information. A fund code is used to identify the appropriation and subhead chargeable with the order.

Instructions on creating the DD form 1348 are contained in Marine Corps Users Manual UM 4400.124.

b. NavCompt Form 2275 - Request for Work or Services. The NavCompt Form 2275 is-used to request reimbursable work or services from any components within the Department of the Navy. This form can be used as either an Economy Act Order (funds are valid for current year only) or as a Project Order (funds are valid through life of project regardless of fiscal year). The form may be used for authorization of funds for work and services and acceptance by another command or agency to perform the requested work and services. Instructions-on the use of this form and how to properly fill-out the form are contained in NavCompt Manual, Volume 3, Chapter 5.

c. NavCompt Form 2276 - Request for Contractual Procurement. The NavCompt Form 2276 is used to request purchase of goods and services that are placed with commercial enterprises. This form provides the request specifics that are translated into a contract or purchase order through an authorized contracting office. Instructions on the use of this form and how to properly fill-out the form are contained in NavCompt Manual, Volume 3, Chapter 5.

d. DD Form 448 - Military Interdepartmental Purchase Request. The DD Form 448 is used to request goods and services from DoD departments other than the Navy. The Army or Air Force may request this form be used vice the NavCompt Forms 2275 or 2276 when requesting reimbursable work or services or when authorizing direct cite of appropriation information on a contract.

e. DD Form 1556 - Request and Authorization for Training. The DD Form 1556 is used to request and authorize payment or reimbursement for training classes for both civilians and military personnel. Instructions on how to properly complete the form are contained on the front page of the multi-page 1556 form package.

f. DD Form 282 - Printing Requisition/Order. The DD Form 282 is used to request printing/publication orders from the Navy, other DoD components, or outside businesses. This form is not used when publications. are maintained through various supply systems. In those cases, the DD Form 1348 is used to requisition the publication or manual. (Instructions for completing the DD Form 282 are contained in NAVPUBINST 5605.20).

g. DD Form 1149 - Requisition and Invoice/Shipping Document. This form may be used for two purposes. It may be used to request procurement action by a contracting office. This form may also be used by the receiving activity to certify the quantity and quality of goods received from a vendor.

h. DD Form 1155 - Contract. The DD Form 1155 is the standard form used for contracts issued to external organizations. This form serves as the official obligation document for the fund administrator/work center when the contracts office creates and approves the procurement action. This form is the end result of a request for procurement action sent to the local contracting office.

i. Local Request Forms for Material and Services and TAD. Local forms may be used for internal command requisitions for contracts and purchase orders. These forms however are not authorized for use with outside commands or other agencies. NavCompt or DD forms should be used to the greatest extent possible. Further, commands are encouraged to develop local TAD request forms to aid users in keying travel information into SABRS for official order creation.

2. The above listed forms are not all inclusive. Local and other standard forms may and will be used for ordering goods and services, settling claims, and handling financial actions.

3010. ENTERING MATERIAL AND SERVICES TRANSACTIONS INTO SABRS

1. Material and service source documents are entered into SABRS through the Material and Services (M&S) subsystem. Transactions are entered into batches for update processing based on Document Identifier Codes (DIC's). DIC's tell SABRS to post M&S transactions as reservations, obligations, expenses, or a combination of these stages under the document transaction cycle (refer to paragraph 2004 for definition of the transaction cycle).

2. Valid DIC's and keying instructions for the M&S subsystem are contained in the SABRS Material and Services User's Manual. The SABRS M&S Users Manual also includes how to make error corrections, delete transactions from batches, edit batches, flag batches, scroll error log, change FIP's, etc..

3. When entering transactions through the M&S subsystem, users must pay attention to:

- a. DIC code selected and used.
- b. Transactions are entered into batches, system is not real-time for M&S updates.
- c. All batches must be edited prior to processing in SABRS.
- d. All batches after editing, must be flagged for SABRS to recognize the batch for update.
- e. Once a batch updates SABRS, the batch must be moved to history or deleted.

3011. ENTERING TRAVEL TRANSACTIONS INTO SABRS

1. Travel under SABRS consists of two functions:

- a. Administrative function of creating orders for individuals or groups which authorizes them to travel in a temporary additional duty (TAD) status.
- b. Financial function of creating a reservation, obligation, and expense to cover the cost of travel and personnel entitlements that arise due to the TAD status.

2. Keying instructions, which cover creating individual, group, multi-sponsor, and other sponsor orders are contained in the SABRS Travel User's Manual. These instructions include how to create, modify, delete, authenticate, and print orders. Instructions also include how to change fiscal amounts, how to change FIP's, how to add a missing travel record, how to reserve blocks of TON numbers, etc..

3. In general, processing TAD into SABRS involves:

- a. Traveler requests orders through local request form.
- b. TAD is approved by appropriate officials.
- c. Information from request form is entered into SABRS.

d. Appropriate authenticating activity prints orders and stamps originals.

e. SABRS from the above steps c and d, reserves and obligates funds.

f. Traveler performs TAD. SABRS expenses based on proceed date entered and number of days authorized TAD.

g. Traveler settles travel claim after performing TAD. Disbursing enters payment information into register system. Information passed to SABRS to post liquidation.

4. One situation concerning travel is not entered in the Travel Subsystem, but rather entered and processed through the M&S subsystem. This travel situation is in or about travel. In or about travel occurs when an individual uses their own vehicle (POV) in the performance of assigned duties. To process in or about travel, enter the transactions into a batch in M&S using a DIC of "XSI", a document type code of "RV" in the SDN, and an OC/SOC of "21AA" in the FIP.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 4

FINANCIAL RECORDS AND REPORTS

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|---|------------------|-------------|
| GENERAL | 4001 | 4-3 |
| SOURCE DOCUMENT FILES | 4002 | 4-3 |
| MONITORING SOURCE TRANSACTIONS | 4003 | 4-6 |
| KEY SABRS REPORTS FOR TRANSACTION VALIDATION | 4004 | 4-8 |
| INFOPAC | 4005 | 4-11 |
| REPORTS INQUIRY SUBSYSTEM | 4006 | 4-12 |
| TRANSACTION AND FUND BALANCE VALIDATION | 4007 | 4-12 |
| MEMORANDUM FUND BALANCES | 4008 | 4-13 |
| PAYMENT RECONCILIATION | 4009 | 4-13 |
| INVOICE CERTIFICATION | 4010 | 4-15 |
| UNFILLED/UNLIQUIDATED ORDER VALIDATION | 4011 | 4-16 |

CHAPTER 4

FINANCIAL RECORDS AND REPORTS

4001. GENERAL. SABRS maintains information on documents and transactions that have occurred and that have been entered and posted in the system. Documents and transactions are processed through manual input of information or through mechanized input from other systems. This chapter will deal with the source document files, reports, and basic fund control measures necessary to maintain and control funds allocated to work centers, fund administrators, and OPBUD's.

4002. SOURCE DOCUMENT FILES

1. Source document files are maintained by Fund Administrators and Work Centers to substantiate information processed into the accounting system, satisfy audit requirements, and document retention regulations. Source document files are also maintained to provide the user with information concerning all requisitions and orders affecting their funds which have been created and the status of those transactions in the accounting system. The status of documents in the accounting systems will either be posted or pending:

a. Pending Documents. Documents that have been created and passed for obtaining material, supplies, TAD, etc. and received documents such as contracts, purchase orders, receiving notifications, etc. that have not been entered and-updated in the accounting system.

b. Posted Documents. Those documents that have had reservations, obligations, expenses, or payments processed and validated for accuracy in the accounting system. Document validation is accomplished through the use of cycle reports and system inquiries discussed in paragraph 4004 and 4005 of this chapter.

2. Pending and posted files may be created and maintained using various methods. They may be created along functional lines, that is separate pending and posted files for TAD transactions and material and services transactions. All documents, regardless of function, may be maintained together in pending and posted files. The following files are recommended for maintaining source documents:

a. Travel Documents

1. Pending File - All travel requests that have not yet been keyed into SABRS to have official orders created. Once the travel request is keyed into SABRS and a copy of the official orders is received, the request should be attached to the orders and moved to the posted file.

2. Posted File - All travel orders produced through the system or manually created and obligated that have not yet been settled by the traveler. Once settlement payment is posted in SABRS, the orders will be moved from this file to the settled file.

3. Settled File - All travel orders which have had final settlement payments posted into SABRS to complete the individual entitlement portion of the travel orders. The Government travel request (GTR) portion will normally still be outstanding at the time the individual settles the travel claim an-payment is processed in SABRS. Until the GTR payment is received and posted in SABRS, the TAD document is not complete. Once the GTR payment is posted in SABRS, the orders will be moved to the completed file.

4. Completed File - This is a history file. Orders placed in this file have had all phases of the transaction cycle completed affecting this document. All payments have been received, both for entitlement settlement and GTR. This transaction has all money fields (i.e., reservation, obligation, expense, and payment) equal in SABRS. If all money fields are not equal, the user should adjust the SABRS record to bring the reservation, obligation, and expense into balance with the payments received and posted for personnel entitlements and GTR.

b. Material and Service Documents

1. Reservation Pending File - This file will contain all material and service type requisitions (i.e. request for procurement actions, training requests, printing orders, reimbursable authorizations not yet accepted, etc.) that have been created and forwarded for obligation action but have not yet been keyed or posted into SABRS as a reservation of funds. Once the reservation is posted and validated in SABRS, the document will be moved to the reservation posted file.

2. Reservation Posted File - This file will contain all material and service type requisitions that have had a reservation posted in SABRS. Documents will remain in this file until the official obligation document (i.e., purchase order, contract, accepted reimbursable authorization, approved training agreement, accepted printing order, etc.) has been received by the user. Once the official obligation document is received, the requisition will be attached to the obligation document, keyed into SABRS (obligation), and filed in the obligation pending file.

3. Obligation Pending File - This file will contain all official obligation documents that have (or have not yet) been keyed into SABRS awaiting an update cycle. Once SABRS is updated and the obligation validated, the obligation document will be moved to the obligation posted file.

4. Obligation Posted File - This file will contain all official obligation documents that have been keyed into SABRS and are awaiting the delivery of the ordered goods or services. Once the goods and services ordered are received (shipping/receiving document received, training completed, invoice for services received, etc.) an expense should be keyed into SABRS (validate the expense posting in SABRS) and the obligation and receiving source document moved to the material and services received file.

5. Material and Services Received File - This file will contain the obligation documents and shipping/receiving or invoice for transactions where goods or services ordered have been received, but no liquidation has been posted in SABRS. Documents will remain in this file until payments are posted in SABRS (if payment is partial, annotate source documents but leave them in this file until final payment is received). Once payment is posted in SABRS and all money fields are equal, the documents will be moved to the completed file. If the payment received is final, but the reservation, obligation, or expense field does not equal the payment, the user should enter an appropriate record into the Material and Services subsystem to make these amount fields equal the payment.

6. Completed File - This is a history file. Documents placed in this file have had all phases of the transaction cycle completed with all amount fields equal in SABRS. In other words, the material or services ordered was received and payment for these goods and services was made to the supplying agency.

4003. MONITORING SOURCE TRANSACTIONS

1. To manage funds allocated to the work center, fund administrator, and overall OPBUD, each individual source document created has to be monitored and tracked through the accounting system and through various source systems. To accomplish this the following should be validated at each step of the transaction cycle:

a. Document or Requisition Creation

1. Has the request to obtain material, services, TAD orders, etc. been prepared?
2. Does the source document contain all appropriate financial codes to include a valid document number, financial information pointer, and accounting classification code if applicable?
3. Has the request been forwarded to the appropriate action office, i.e., supply, administration, training, contracting, etc. to begin obligation action to obtain the materials, services, or TAD orders?
4. Has a copy of the request been retained for fiscal files?
5. Has the transaction been entered into SABRS as a reservation and the system update validated?
6. Has the obligation document been received (purchase order, contract, mechanized report showing material ordered through the Defense Automatic Address System Office (DAASO), approved training agreement, accepted reimbursable authorization, official TAD orders, etc.)? If not, how old is the request? Has the appropriate action office been contacted to find out the status on the official obligation action and source document?

b. Obligation Document Received

1. Has the obligation been entered into SABRS and the update cycle validated? Those obligation documents that require a user to key into a SABRS batch and be released for update into a cycle shall be keyed within three working days of receipt of the source document.

2. Has the obligation source document been filed in appropriate fiscal files?

3. Has the ordered material, services, travel been performed or received? If not, how old is the obligation action, and should delivery of material and services been reasonably expected to have occurred? If delivery has not occurred, has the obligation source been contacted to find the status of the order, i.e., supply, contracting, printing office, etc.?

c. Ordered Goods and Services Received

1. Was the material or services received which was ordered and in the quantity ordered?

2. Has an expense been entered into SABRS and the update cycle validated?

3. Has a copy of the shipping report or invoice been filed in appropriate fiscal files?

4. Has a payment, either partial or final, been received or posted into SABRS against this document? If not, how old is the receipt of the ordered goods and services? Could payment have reasonably been expected to have posted by this time? Has the Defense Accounting Officer been contacted concerning the payment for public voucher type payments or to see if payment is in an undistributed disbursement status in SABRS. For mechanized supply status, does a request for billing need to be processed?

d. Payment Processed in SABRS

1. Has a payment posted against the document in SABRS?

2. Is the payment final or partial?

3. If the payment is final, has SABRS adjusted the reservation, obligation, and expense amounts to equal the payment? If not, has the user entered the appropriate transaction into SABRS to adjust the amount fields to equal the payment?

4. If the transaction is complete, have the appropriate source documents been moved to a completed fiscal file?

2. Each individual document created, regardless if the document is for TAD, material orders, or service requests, must be monitored through each of the transaction cycle steps. For each request, an obligation should ultimately be entered into SABRS if the unit expects to receive ordered goods and services. Further, having an -obligation in the accounting system should not be the only objective of financial managers. Ensuring that the ordered goods and services are received and paid for is as important as having an obligation in the system because the unit gains the true benefit of the funds used only through receipt of the ordered goods and services.

4004. KEY SABRS REPORTS FOR TRANSACTION VALIDATION

1. SABRS has the capability of producing numerous reports utilizing information resident in the system. These reports are produced based on a cycle, weekly run, bi-weekly run, monthly, quarterly, and an annual basis. Reports are produced reflecting information from all spending subsystems and most of the supporting subsystems. Report information can be obtained through SABRS for the following categories:

- a. Budget Execution.
- b. Material and Services.
- c. Travel.
- d. Labor.
- e. Reimbursables.
- f. Allocations.
- g. Expenditures and Collections.
- h. General Ledger.
- i. Plant Property.

2. SABRS Batch Reports Manual contains the basic procedure numbers, report name, and an example of every report that SABRS is capable of producing. The Batch Reports Manual will also provide the frequency (i.e. cycle, monthly, quarterly, etc.) that the report is produced. All reports listed in the Batch

Reports Manual are not automatically created when a SABRS daily, weekly, or monthly cycle is executed. Specific reports to be produced must be specifically identified in the cycle job process. The local Defense Accounting Office (DAO) can provide users a list of reports currently set up for production with SABRS cycles. If the user requires other reports to manage funds that are listed in the Batch Reports Manual, but not produced in current SABRS cycles, contact the local DAO to have those reports added to the SABRS process.

3. There are several basic reports that are universally run with each SABRS cycle throughout the Marine Corps. These basic reports are essential for fund control and source document validation. Reports will either be run on paper after a cycle or will be placed into INFOPAC (discussed in section 4005). Labor and labor reports will be discussed in chapter 6. Work unit and reimbursable reports will be discussed in chapter 5. The major reports by functional category are:

a. Budget Execution Reports

1. XR04 - Direct Funds Summary By Fund Administrator: This report provides the basic financial status for a fund administrator for each fiscal year and subhead. The report contains authorization, reservation, and obligation information affecting the fund administrator. This report is cumulative to date.

2. XR10 - Direct Funds Summary By Work Center: This report provides the basic financial status for each work center under a specific fund administrator for each fiscal year and subhead. The report contains authorization, reservation, and obligation information affecting each work center. This report is cumulative to date.

3. XR16 - Fund Administrator Management Report: This report provides the status of a fund administrator for each fiscal year, subhead, object class, and subobject class codes. The report contains authorization, reservation, obligation, expense, and liquidation information affecting the fund administrator. This report is cumulative to date.

4. XR28 - Field Direct Planning and Performance Report: This report provides the financial status of each fund administrator by work center, fiscal year, subhead, program element, object class, subobject class, and cost account codes

used during execution of funds. The report contains obligation, expense, and liquidation information. This report is cumulative to date. The XR28 is the most detailed, commonly used budget execution report that a typical fund administrator will utilize to obtain information on the purpose that funds were executed.

b. Material and Services Reports

1. M242 - Material and Services Error Transactions Report: This report will provide the fund administrator with all transactions entered into SABRS for the cycle that failed to update the system due to some coding problem that failed to meet system edit requirements.

2. M275 - Daily Transaction Update Report: This report will provide the fund administrator with each individual transaction that was processed through batch input or through a system interface. This report will reflect new or changed reservation, obligation, expense, and liquidation information affecting a specific source transaction by document number.

3. M207 - DSSC Daily Transaction Report: This report will provide the fund administrator with each individual DSSC transaction that was processed into the current cycle that affected a fund administrators fund balance.

4. M205 - Material and Services Material Not Received Report: This report will provide the fund administrator with all transactions that have a liquidation posted in SABRS, but do not have a receipt (expense) recorded. This report is an exception report to alert fund administrators of abnormal transactions for research and corrective action.

5. M211 - Material and Services Public Voucher Not Received Report: This report will provide the fund administrator with all transactions that have had a receipt (expense) recorded that is over 60 days in the system that has not yet had a liquidation posted against. This report is an exception report to alert fund administrators to research the transaction to determine if payment has occurred. In some cases the payment was not made by the DAO office and is required. In most cases payment on the transaction was made, but the update liquidation record did not post properly in SABRS and is being held in an undistributed disbursement status.

6. M150 - Undelivered Orders Status Report: This report will provide the fund administrator with all transactions that are still outstanding or have not yet completed. This report is cumulative to date.

c. Travel Reports

1. T167 - Fund Administrator Travel Order Report For Current Cycle: This report will provide the fund administrator with all travel transactions that are new or previously posted transactions that have been updated during the last run SABRS cycle.

2. T147 - Fund Administrator Travel Order Number Report: This report will provide the fund administrator with all travel records that are still active or outstanding in SABRS. Active status means that the transaction cycle has not been complete. Settlement of personnel entitlements or payment of GTR is still outstanding or the TAD trip has not yet been completed.

3. T231 - Fund Administrator Detail Unsettled Travel Advance Report: This report will provide the fund administrator will all travel records where the individual drew an advance and has not yet filed for final settlement of personal entitlements. This report is aged and cumulative to date. It must be noted that settlement by the individual may have occurred, but the settlement liquidation was not posted properly in SABRS and is in an undistributed payment condition.

4005. INFOPAC. INFOPAC is a software package accessed through the main-frame computer that allows report inquiry or information retrieval through a terminal or personal computer screen. INFOPAC is not a formal part or a subsystem of SABRS. INFOPAC is utilized, to reduce the amount of paper reports produced after a SABRS cycle while still providing the user with the report information. SABRS reports and their formats that are required for transaction validation and fund control or identified by users as required for management control are placed in INFOPAC after a SABRS cycle is processed. The report information in INFOPAC is an exact mirror image of the report format and information that would be reflected on a hard copy report. Reports in INFOPAC can be printed to a printer identified through the main-frame. If reports are required by the user that are not currently listed in INFOPAC, contact your local DAO office to have those reports placed in the production report schedule.

4006. REPORTS INQUIRY SUBSYSTEM. The Reports Inquiry Subsystem of SABRS provides users several options to retrieve information from the system which is current as of the last SABRS cycle. Information can be retrieved and reviewed concerning budget execution, material and services, travel, reimbursables, expenditures and collections, and labor information. Instructions for using this subsystem are contained in the SABRS Report Inquiry User's Manual.

4007. TRANSACTION AND FUND BALANCE VALIDATION

1. SABRS generated information provided through hard copy reports, INFOPAC reports, or the Reports Inquiry Subsystem is used after each SABRS cycle to validate the information processed into the system and the current system fund balances. Even if the user did not enter information into batches, keyed travel orders, or had labor process against their fund administrator or work center, the cycle reports need to be validated to see if information from other sources (i.e. mechanized inputs from supply or payment information) posted in SABRS affecting their transactions and financial balances. The following general steps should be followed to begin the transaction validation process:

a. Obtain a schedule from the local Defense Accounting Officer (DAO) of when SABRS cycles are scheduled to run during the week or month.

b. The day after (no more than two days) a SABRS cycle has been executed, the user should receive reports pertaining to their fund administrator or work center. In some cases the reports will not be printed out, but will be available through INFOPAC inquiry. If required reports are not received, contact the comptroller office or DAO as appropriate.

2. After reports are received, information contained in the users source document files will be checked against information contained in SABRS. This validation should be conducted along functional lines (i.e., travel information validated against travel reports, material and services documents validated against material and services reports, etc.). Fund status information will be validated using budget execution reports, labor reports, interface update reports, and source document files.

3. Validations are performed on a document for document basis for material and services, and travel transactions. Material and service transaction validation will include transactions processed through the local Direct Support Stock Control (DSSC), SASSY, and any other mechanized system that is interfaced with SABRS.

4. Validation of labor information is performed on an individual basis. The badge number assigned to the employee will be the control key for labor validation.

4008. MEMORANDUM FUND BALANCES

1. Memorandum fund balances are created and maintained to provide fund administrators and work centers with actual fund balances. SABRS is not a real time system and may only be updated on a weekly basis. The amount of requisitions, contracts received, travel orders created, etc. that occur after one cycle but before the next cycle is run is not present in balances reflected in SABRS. Due to this fact, manual balances must be maintained by the fund administrator and work center to insure that funds allotted are not over obligated.

2. Manual memorandum fund balances are maintained using the last SABRS cycle available balances and subtracting from these amounts any financial transactions that the fund administrator and work center have created that have not yet posted in SABRS. The key for proper maintenance of a running fund balance is based on the source document files created and maintained by the fund administrator or work center (refer to paragraph 4002 for explanation of source document files).

3. Memorandum fund balances should be maintained for reservation and obligation balances. Locally developed forms should be used to maintain the current reservation and obligation available balances. These forms should include the last SABRS update number and the date of the last run cycle.

4009. PAYMENT RECONCILIATION

1. Standard definitions have been created throughout DoD to describe the status of payments made and processed. These definitions are:

a. Not Distributed Disbursements. These are transactions are payments made by a disbursing office which have not yet been entered into a mechanized system for distribution to the command who's funds were affected.

b. In Transit Disbursements. These transactions are payments made and processed, but not yet received at the command who's funds were affected.

c. Posted Disbursements. Payments that were made by a disbursing office, sent to the affected command, and posted in the accounting system against a valid, matching obligation.

d. Unmatched Disbursements. Payments made and sent to a command by a disbursing office, but no matching obligation is found in the accounting system.

e. Negative Unliquidated Obligations. Payments are made and processed to the command by a disbursing office. The payment pasts against an obligation in the accounting system. However, the payment exceeds the amount of the obligation recorded in the accounting system.

2. Most payments are processed into SABRS through various mechanized interfaces with external disbursing or payment systems. The key for payment posting in SABRS (other than labor which is discussed in chapter 6) is the document number. If the incoming payment record processing into SABRS does not find a matching obligation document number resident in the travel or material and services files, the payment goes into an unmatched disbursement status.

3. Unmatched disbursements have already been charged against the OPBUD for distribution purposes. The unmatched payment reduces the available balance for the Marine Corps at the United States Treasury when the paying disbursing office submits it's monthly returns. Also, the balance of a commands unmatched disbursements is reflected in the general ledger and monthly status reports in separate and distinct accounts. With the current and future reduction in operating funds, unmatched disbursements prolong the clearing of accounting records and may give outside agencies an erroneous picture of Marine Corps fund execution.

4. Payments may go into an unmatched status for the following reasons:

a. Incoming payment record is valid in all respects, to include cited document number, but no matching obligation was ever entered into SABRS or was once entered and subsequently canceled by the fund administrator.

b. An obligation is resident in SABRS under a different document number than cited in the incoming payment record.

c. The incoming payment is not valid for charge against the command.

5. The local DAO will attempt to post undistributed payments based on information in the electronic payment record or available source documents. However, many undistributed payments will not have enough information available for the DAO to accurately post the payment in SABRS. In those cases, the DAO will solicit help from the appropriate comptroller office to determine which record the payment should be posted against. If the payment is determined to be erroneous by the comptroller, the DAO should be informed to take corrective action.

6. Comptrollers, their fund administrators, and work centers should ensure timely posting of obligations and expenses into SABRS to ensure that records are available in the accounting system for payments to match against when processed into SABRS.

7. Once the payment has posted into SABRS against a matching obligation, fund administrators and work centers should check the amount of the payment and compare it with the obligation. If the payment exceeds the obligation, which creates a negative unliquidated obligation status, the original obligation should be increased to equal the payment, provided the payment amount is valid. If the payment amount is not valid, the servicing DAO should be contacted for assistance in correcting the processed disbursement.

4010. INVOICE CERTIFICATION. When fund administrators and work centers order goods and services that are contracted for with a private entity, an invoice should be received when the ordered goods and services are delivered. This invoice is checked against what material was received to insure the material is in good condition and is the material ordered. Likewise, invoices from vendors providing services is validated to insure the service contracted for was performed. Once an invoice is received and the receipt of goods and services validated, a

payment voucher (NavCompt Form 2277) is prepared. The fund administrator or work center certifies the voucher as proper for payment by the DAO. Special attention should be given to the NavCompt Form 2277 when certifying for payment to ensure that the correct document number and accounting classification code are cited on the forms. The document number and accounting classification code cited on the NavCompt Form 2277 is what will be keyed into a disbursing system and ultimately becomes major information contained in the payment record processed back into SABRS. If the document number or the accounting classification code on the NavCompt Form 2277 are incorrect, the payment processed back into SABRS will go undistributed.

4011. UNFILLED/UNLIQUIDATED ORDER VALIDATIONS

1. Per Navy Comptroller Manual, Vol. III, paragraph 039101, validations of outstanding unfilled and unliquidated obligations are mandatory at least once each fiscal year. Additional validations may be required during the fiscal year for better fund control and utilization. Comptrollers, their respective fund administrators, and work centers will conduct at least a quarterly review of the outstanding unfilled and unliquidated obligations posted in SABRS. An outstanding unfilled obligation exists when an obligation has been entered into SABRS, but no expense (receipt of material or services ordered, travel has not yet occurred) has been recorded in SABRS. An outstanding unliquidated order exists when the receipt or expense has been recorded in SABRS for the transaction, but payment for the goods or services has not yet been received or posted.
2. Locally established procedures will be followed for conducting the quarterly reviews and validations. It is essential that all outstanding documents be reviewed with necessary adjustments made in the accounting system. Validations justify the amounts and requirements processed into SABRS. Invalid amounts of obligations recorded in SABRS restricts the use of those funds. Through the validation process, amounts found to be erroneous are corrected which in many cases will result in an increase of the fund administrators available balance for other purchases of goods and services. Generally, the following areas should be considered when conducting validations:

- a. Travel Documents

1. Were the orders executed by the traveler or was the trip canceled?

2. Did the individual settle after the TAD trip was completed?

3. Can a copy of the settlement be forwarded to the DAO for their efforts in posting the payment to complete the entitlement portion of the travel record?

b. Material and Services Documents

1. For mechanized supply requisitions, has the status in supply been validated to ensure the order was not canceled, shipment is due, shipment occurred, partial shipment occurred, etc..

2. Are there orders resident in the supply system that have no corresponding obligation in SABRS?

3. For contracts and purchase orders, has the contracting office been contacted for validation that the contract was issued to the designated vendor. Has the contracting office or fund administrator contacted the vendor concerning the material or service delivery? Was the service or material ordered received? Was an invoice received? Was the invoice certified and forwarded to disbursing for payment? Was a copy of the payment voucher received by the fund administrator or work center? Has a copy of the voucher been sent to the DAO to assist in their posting of the payment?

4. For reimbursable authorizations, has a status report been received from the activity performing the requested work or service? Have billings been received from the performing activity for work and services rendered? Are funds available for withdrawal or do more funds need to be authorized to complete the requested order.

5. For training authorizations and agreements, was the authorization form signed by the appropriate officials and forwarded either to disbursing for a check or sent to the organization performing the training for future billing? Did the individual complete the training?

3. Two specific DIC's have been established in SABRS for processing changes to material and services transactions due to an unfilled orders validation. A DIC of "XSZ" should be used for adjustments to the obligation amount recorded in SABRS. The XSZ DIC will be used for both increases and decreases to the obligation amount for a specific document in SABRS. The DIC of "XRZ" has been created to adjust the record (reservation, obligation, and expense amounts) for all money fields to equal the amount of the posted liquidation. Statistical accounts in the general ledger will be updated with the amounts processed using either the DIC of XSZ or XRZ when processing adjustments that result from the validation of unfilled orders in SABRS.
4. Follow up on reported discrepancies and corrections by fund administrators and work centers should be performed timely after each review is completed. Discrepancies that have been reported several times for correction, with no action taken, should be brought to the DAO's attention for action.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 5

REIMBURSABLES, ALLOCATIONS, AND WORK UNITS

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|--|------------------|-------------|
| REIMBURSABLE ORDERS | 5001 | 5-3 |
| TYPES OF REIMBURSABLE AGREEMENTS. . | 5002 | 5-4 |
| RECORDING REIMBURSABLE ORDERS IN SABRS. | 5003 | 5-5 |
| MONITORING REIMBURSABLE ORDERS IN SABRS. | 5004 | 5-8 |
| SOURCE DOCUMENT FILES FOR REIMBURSABLES | 5005 | 5-9 |
| ALLOCATIONS. | 5006 | 5-9 |
| WORK UNITS | 5007 | 5-10 |
| | | 5-1 |

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 5

REIMBURSABLES, ALLOCATIONS, AND WORK UNITS

5001. REIMBURSABLE ORDERS

1. A reimbursable order or authorization is any written agreement between two activities of the Federal Government that requires one activity to provide goods or services to the other activity in exchange for payment to cover the costs of goods or services provided. Specific information concerning applicable situations and regulatory requirements of reimbursable orders is contained in NavCompt Manual volume 3, chapter 5, section 035400. Generally, reimbursable orders will involve two parties in the agreement:

a. Customer. The activity that is requesting the work or services to be provided from another command or activity. The customer is the activity that will ultimately pay funds out of their OPBUD for the provided goods and services. The customer records the reimbursable request as a reservation in SABRS. Once the acceptance copy is received from the performing activity, an obligation is entered into the accounting system. Payments will post from registers processed when the performing activity bills the customer for work or services rendered. The activity will then process an expense into SABRS to equal the amount of the payment.

b. Performer. The activity that agrees and accepts the request from the customer to perform the requested work or service in exchange for payment of the costs involved in providing the requested goods or services. The performer initially pays for the needed labor, material, travel, etc. necessary to fulfill the accepted agreement out of their own operating funds. The performer then bills the customer to recoup the amount of funds they have spent in support of the customer. The transfer of funds through the billing process is called reimbursement of funds, thus the term of reimbursable for these types of agreements.

2. As the performer completes work and incurs expenses in benefit of the customer, the performer will create a bill to charge the customers appropriation information and credit the performers appropriation. The original reimbursable agreement

will cite the appropriation to be charged for the customer. Billings will be created at least on a quarterly basis. The amount billed should exceed one hundred dollars per quarter (except for final bills), but an amount less than one hundred dollars may be billed at the option of the billing activity.

3. The performer will provide the agreed upon goods or services within the amount authorized on the original or amended reimbursable authorization. The performer cannot exceed the amount authorized without prior approval from the customer. If the performer exceeds the amount authorized and the customer does not agree to the amount of the authorization, the performers OPBUD absorbs the additional cost. The functional manager or fund administrator responsible for the execution of the accepted reimbursable should monitor the amount used and available. Once the amount available is determined to be insufficient to cover the cost of the requested work, the customer should be notified and a request for additional funds should be made prior to spending in excess of the amount currently authorized.

4. The performer on a quarterly basis and for the last three months of the fiscal year on a monthly basis, prepare and forward a status report to the customer on the condition and balances of the reimbursable authorization. Any balances available for withdrawal by the customer should be annotated on the status report.

5002. TYPES OF REIMBURSABLE AGREEMENTS

1. There are two types of reimbursable agreements. These agreement types are:

a. Economy Act Orders. This type of order when issued and accepted is used for work or services of a normal or recurring nature. Such work includes utility support, administrative support, janitorial support, etc.. Funds are normally authorized on a quarterly basis with funds available for new obligations only during the current fiscal year. An economy act order is also referred to as a "Work Request".

b. Project Orders. This type of order when issued and accepted is used for work or services with long completion times or for non-recurring type of work. Typical work requested with project orders is the overhaul of weapon systems and equipment.

Project orders normally contain a date or time frame when work is estimated to be completed. This may carry over to more than one fiscal year. The funds authorized in the project order are valid for incurring new obligations through the life of the order, regardless of fiscal year. SABRS, through the year end process and Fiscal Year open procedures will bring forward the unobligated amount of the project order for use in the new fiscal year. Billings created by SABRS will still charge the original fiscal year cited on the project order regardless of the year of execution.

2. The major difference between the economy act order and the project order is the type of service provided and the ability to incur obligations within the scope of authorized work. Economy act orders are fiscal year specific for fund availability. Project orders are project length specific regardless of how many years it takes to complete the authorized work. Economy Act orders are for normal working services such as utility or administrative support, while project orders are for items that require long term work efforts to provide the requested service.

5003. RECORDING REIMBURSABLE ORDERS IN SABRS

1. There are two different methods of recording reimbursable orders in SABRS. The two methods are based on whether the command is the customer of the request or the performer. Both methods are described below:

a. Customer Issued Reimbursable Orders. When the command is the customer and begins the authorization process by creating a NavCompt Form 2275 Request for Reimbursable Work or Services or creating a DD Form 448 Military Interdepartmental Purchase Request, the following is done:

1. Create the NavCompt Form 2275 or DD Form 448 and forward to the command or agency that will perform the requested work or service.

2. Record a reservation of funds in SABRS using the material and services subsystem.

3. Once acceptance of the requested work is received by the command (this will be the NavCompt Form 2275 with acceptance block filled out and signed or a DD Form 448-1 MIPR

acceptance), an obligation needs to be recorded in SABRS using the material and services subsystem.

4. As the performer provides work or services based on the reimbursable authorization, that command will bill your appropriation. The billing process will create a payment record which will post in SABRS against the document number that was assigned to the reimbursable authorization form. Once a payment is posted in SABRS from the billing action, the user will create an expense transaction to process into SABRS to equal the amount of the posted payment.

5. The performer will provide quarterly or monthly a status report on the execution of the reimbursable order.

b. Performer Accepted Reimbursable Orders. When your command is the performer of a reimbursable order, the following is done:

1. When the reimbursable order is received at the command, a determination must be made if the requested work or service can be performed. If the command cannot accommodate the request, the order is returned to the originator with non-acceptance. If the order is non-accepted, that is the end of the process.

2. If the command determines it has the capability of providing the requested work or service, the NavCompt Form 2275 is accepted and returned to the originator. If the work was requested on a DD Form 448, a DD Form 448-1 acceptance is completed and returned to the originator.

3. Once the reimbursable order is accepted, a reimbursable record or profile must be created in SABRS before any work against the order can begin. The commands budget office normally has responsibility for creating the reimbursable record in SABRS. The record contains the customer billing address, financial information to receive credits back to the command from billings, the amount authorized under the reimbursable, and billing codes to reflect separate lines of accounting classification code information to be billed against. SABRS Budget Execution User's Manual contains instructions on how to load an accepted reimbursable order into SABRS. When loading the reimbursable profile it is essential that the correct reimbursable source code be used in the identification

profile. These codes tell the system the source of the transaction and whether the document is funded or unfunded for reporting and general ledger update. SABRS central table 058 contains all the valid source codes.

4. The key to the reimbursable record in SABRS is the reimbursable order number or RON assigned to the profile. The RON is a unique three digit code used to identify one specific reimbursable order the command has accepted.

5. Once the RON and reimbursable record are established in SABRS, the fund administrator(s) who will execute the order need to be informed of the RON, reimbursable billing code(s) (RBC) and amount authorized for work. The fund administrators will create new FIP's using the RON and RBC's. The FIP's citing the RON and RBC will be used on all material orders, travel, or labor usage pertaining to accomplishing the work or service requested in the reimbursable order.

6. SABRS identifies the charges processed into the system as reimbursable based on the RON number cited in the FIP processed with the spending transaction. The RON identifies which customer order to record the charges against for future billing.

7. Transactions are processed against the reimbursable in the same manner as any direct charge transaction. Again the RON in the FIP identifies the cost as reimbursable in SABRS. Follow instructions contained in the SABRS userVs manuals for material and services, travel, and labor on how to key transactions into the system. When producing these documents, the user creates the document number for material and service transactions and assigns the accounting classification code. The accounting classification code shown on source documents will be the user's basic code. Do not use the customers appropriation data on source documents.

8. Expense recording in SABRS is the key for reimbursable bills to be created. As expenses are recorded, the system will accumulate them and create a bill totaling the amount of expenses recorded that have not previously been billed to the customer. Special attention is required by the user to record expenses in SABRS correctly and in a timely manner for billing purposes.

9. SABRS will bill the customer on a monthly basis if expenses have been recorded in the system during the month that exceed one hundred dollars. If expenses are less than one hundred dollars, the system will produce a bill and place it on hold. The hold can be removed through manual intervention with the system to release the bill, else it is not released.

10. Quarterly, and on a monthly basis during the last quarter of the fiscal year, SABRS will automatically produce a status NavCompt 2193 report for mailing to the customer. The status report will reflect how much was authorized and how much has been executed and billed against the customers order.

11. The amount of funds authorized on the reimbursable order is not to be exceeded without prior approval from the customer.

5004. MONITORING REIMBURSABLE ORDERS IN SABRS

1. The status of reimbursable orders accepted by the command can be gained in several ways. Information on the overall status can be obtained using the SABRS Inquiry Subsystem. Status on individual source transactions for material and services and travel documents can also be obtained using the SABRS Inquiry Subsystem.

2. SABRS will-produce reports for budget execution information concerning accepted reimbursable orders. The report formats are the same as for direct budget execution information. Refer to the SABRS Batch Reports Manual for report numbers and formats.

3. Material and services and travel transactions will be shown on the same reports for these areas as a fund administrators direct funds. The key for distinguishing the direct transactions from the reimbursable ones is the RON that will be cited with all reimbursable transactions.

4. Key reports concerning reimbursable orders are:

a. X205 - Funded Reimbursable Fund Administrator Management Report: This report will provide the total of reimbursable orders accepted and being executed by a specific fund administrator. The report provides authorizations, reservations, obligations, expenses, and liquidation's to date, broken down by object class/subobject class codes.

b. XR29 - Field Funded Reimbursable Detail Planning and Performance Report: This-report will provide reservation, obligation, expense, and liquidation information for each reimbursable order accepted and executed by fund administrator and work center. Execution information is provided by program element, object class, cost account code, and activity group. Figures shown on this report are cumulative to date.

c. PRR5 - Reimbursable Order Report for Current Cycle: This report provides the authorization, obligation, expense, and reimbursements earned information for each reimbursable order. Information is shown on a current cycle, current month, current quarter, and yearly total basis.

5005. SOURCE DOCUMENT FILES FOR REIMBURSABLES. Source document files should be maintained on each accepted reimbursable order. The files should contain all authorization documents to include amendments. Also a pending and posted files should be maintained for each specific reimbursable authorization.

5006. ALLOCATIONS

1. An allocation is a redistribution of cost from one area to another. This redistribution can be between direct and reimbursable cost or between work centers and fund administrators within a command. The purpose of an allocation is to match the cost of work or services incurred with the area that benefited from the expense incurred by the command.

2. When costs are allocated from one area to another, the area transferring the costs increases their available balance, while the area that the cost is being allocated too has a reduction in their available balance.

3. The Allocation Subsystem contained in SABRS has seven major functions that the systems will perform for the user and command:

a. Maintains a file of rate codes which represent formulas used to calculate charges for subordinate and tenant activities.

b. Maintains user agreements negotiated between the command and tenant activities to determine amounts to be allocated for common use fees.

c. Calculates and distributes direct costs from the commands FIP to the subordinate or tenant activities FIP. Costs are distributed on a monthly basis.

d. Calculates costs transferred from direct to reimbursable and allocates them to the appropriate reimbursable order number. These transferred costs update the general ledger, budget execution file, and the reimbursable file. Costs transferred are included in amounts billed to the customer for reimbursement on a monthly basis.

e. Creates work unit information based on the allocation file for usage data concerning agreements and transfers.

f. Generates user reports to support information processed through the allocation subsystem.

g. Allows for correction of previously processed cost allocations.

4. Instructions for utilizing the allocation subsystem are contained in the SABRS Allocations User's Manual. This manual contains all the keying instructions for creating agreements, rate tables, and other functions for processing allocations in SABRS.

5. Special attention should be given to decimal points when processing usage and rate information in the subsystem. The user must place the decimal point where appropriate. If the decimal is not keyed the system may process a greater amount or rate than desired in the system. This will cause over transfers to occur and distort the fund administrators and commands financial position.

5007. WORK UNITS

1. Work units provide the measuring apparatus that allows users to compare dollar execution information with a quantitative measure of units of goods and services received or applied. An example is comparing the amount spent on gallons of gasoline to the number of miles for operation of motor vehicles. The work units entered would be miles that the vehicles were driven and gallons of gasoline used. The cost and usage for gasoline is compared with miles driven and gallons consumed to allow for

determination of how many miles per gallon the vehicles were achieving and the overall cost of the fuel consumed to operate the vehicles. Another work unit comparison is kilowatt hours to cost to determine the average cost for a kilowatt of electricity consumed by the command. The recording of kilowatt hours also provides managers historical information on roughly how much electricity is required to run the base or command for a year. This type of information aids in budget creation for justifying funding requested. This type of comparative information is also needed for internal cost comparison and external reporting requirements.

2. Work units are entered through the Budget Execution Subsystem of SABRS. Keying instructions for entering work unit information is contained in the SABRS Budget Execution User's Manual.

3. Work units are entered using basic appropriation, subhead, fund administrator, work center, cost account code affected, and two digit work unit indicator. All the applicable cost account codes that have a work unit reportable are listed in SABRS Central Table 0F8. This table contains the applicable two digit work unit indicator to be keyed for the cost account code and a description of the unit measurement. Examples of work unit indicators are CH for civilian hours, CJ for pieces or number of equipment, and HW for tons. Work unit quantities are entered based on the month of occurrence. The entry screen in SABRS will provide a field for each month.

4. Once work units are entered into the system, several reports can be used to validate and use the entered information.

a. XR3F - Field Fund Administrator and Work Center Direct Actual Cumulative Work Unit Report: This report will provide the user with the fund administrator, work center, fund code, cost account code, type of work unit entered, and the monthly and year to date units keyed and processed into SABRS.

b. XR3E - Field OPBUD Direct Actual Cumulative Work Unit Report: This report is essentially the same as the XR3F but at the OPBUD level or command level.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 6

CIVILIAN LABOR

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|--|------------------|-------------|
| GENERAL | 6001 | 6-3 |
| PAY SCHEDULES | 6002 | 6-3 |
| LABOR FUNCTIONS | 6003 | 6-4 |
| TIME AND ATTENDANCE | 6004 | 6-4 |
| LABOR DISTRIBUTION | 6005 | 6-5 |
| INDIVIDUAL BADGE NUMBER. | 6006 | 6-5 |
| SABRS LABOR PERSONNEL FILE. | 6007 | 6-5 |
| LABOR EXCEPTION PROCESSING. | 6008 | 6-6 |
| LABOR EXCEPTION CODES | 6009 | 6-6 |
| LABOR PROCESSING IN SABRS | 6010 | 6-6 |
| LABOR FIPS | 6011 | 6-7 |
| LABOR TABLES | 6012 | 6-8 |
| LABOR REPORTS | 6013 | 6-9 |
| PAY AND LABOR BALANCING. | 6014 | 6-10 |
| LABOR ACCELERATION | 6015 | 6-10 |
| CIVILIAN PERSONNEL RESOURCES REPORTING SYSTEM | 6016 | 6-11 |
| | | 6-1 |

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 6

CIVILIAN LABOR

6001. GENERAL

1. Civilian labor is normally the single, largest type of cost or expense at a post or station. The costs associated with civilian labor are closely monitored and controlled. Commands are provided with labor dollar ceilings that limits the amount of funds that can be used to cover the cost of civilian labor.

2. Civilian labor costs can be broken down into three major categories. The first category is personal compensation. Personal compensation are those costs incurred for covering employee's basic pay and other entitlements earned such as overtime, shift differential, environmental entitlements, etc.. personal compensation is recorded in SABRS as an object class 11 cost. The second category is fringe benefits. Fringe benefits are costs incurred by the Government or employer for their portion of covering the expense of life insurance, health benefits, social security, thrift savings, and retirement that benefit the employee. Fringe benefits are recorded in SABRS as an object class 12 cost. The last category is severance pay which is recorded in SABRS as an object class 13 cost.

6002. PAY SCHEDULES. There are three major pay schedules used in the Department of Defense that affect the compensation and entitlements of civilian employees. First is the General Schedule or GS rating. GS employees normally include those in administrative support positions, accounting and finance positions, technical positions, classification positions, management positions, etc.. Second is the Wage Board schedule ratings. Wage Board employees normally include those positions requiring special skills such as electrician, plumber, mechanic, certain management positions, etc.. The last major schedule used is the Senior Executive Service or SES positions. SES employees are in high level management positions. SES grades equate with those of General Grade Officers in the military. Each pay schedule has unique rules that govern compensation and entitlements. For more information on these schedules or on entitlements contact your local payroll liaison office.

6003. LABOR FUNCTIONS. There are two major functions associated with recording and accounting for civilian labor. These functions are paying the employee and recording the cost and use of labor in the accounting system. Paying the employee requires the capturing of attendance information on when the employee worked, how many hours were worked, any special conditions during work that would require additional pay entitlement, etc. The second function is recording the cost in the accounting system for financial reporting. The recording function also includes the distribution of costs to areas where work was performed and to match costs with a product or service job.

6004. TIME AND ATTENDANCE

1. Time and attendance recording is the function of accounting for the hours an employee worked during the two week pay period. The accounting of hours also includes the recording of special entitlements the employee earned during the two weeks. These entitlements include overtime, shift differential, environmental bonuses, dirty work hours, etc.. Hours recorded also includes any leave hours, such as annual or sick leave, and hours when an employee is in a non-pay status such as absent without leave.
2. Time and attendance information is entered and recorded into the Defense Civilian Pay System (DCPS) for most Marine Corps commands. DCPS is the standard civilian payroll system for DoD. Under DCPS, commands enter their time and attendance exceptions for processing in the bi-weekly payroll cycle. The keying of time and attendance exceptions may be centralized into one office for the command or decentralized into several major activities within the post and station.
3. Each command under DCPS will have a payroll liaison office. This office serves as the trouble desk in resolving pay related problems with the DCPS major processing center. This office normally assists in training personnel on correct procedures for maintaining and keying time and attendance information into DCPS.
4. The recording of time and attendance may be done in several ways. Information may be recorded using a time card that shows the days and hours worked, a sign in log, or other methods that ensure the validity of the hours entered into the payroll system for paying the employee. Guidance on controls for time and attendance recording can be found in NavCompt Manual, Volume Three, Chapter Three.

6005. LABOR DISTRIBUTION. The cost of civilian labor, for both personal compensation and fringe benefits, has to be recorded in SABRS. Labor costs processed into SABRS will reduce the amount of available funds for the purchase of other goods or services. The process of recording the cost of labor into SABRS is called labor distribution. Labor distribution is simply recording the cost of labor and applying these costs to areas that gained the benefit from the labor usage. Labor distribution recording is a cost accounting function where costs are assigned or matched with the area or functions that benefited from the labor to determine the overall cost for maintaining a function or providing a service for other areas of the command.

6006. INDIVIDUAL BADGE NUMBER. Each employee must be uniquely identified in the civilian personnel, payroll, and accounting system in order to ensure correct compensation is processed for pay purposes and that the cost of the employee is properly recorded in the accounting system. To accomplish this unique identification, two codes are utilized. First, the individuals social security number is used for identification in the personnel and payroll systems. The second identifier is a multi-digit code is assigned to the employee called a badge number. Badge numbers are initially assigned based on the numbering structure used by the command prior to DCPS. Once commands are paid via DCPS, new employees added to the payroll system will have badge numbers assigned through DCPS. The badge number and social security number are used in combination to identify the specific employee for personnel, payroll, and accounting systems.

6007. SABRS LABOR PERSONNEL FILE

1. The Labor Personnel File (LPF) is the major file used in SABRS to process civilian labor cost. The key to the file is the individual badge number assigned with each employee. Loaded to that badge number in the file is the basic personnel and pay information concerning the employee. The employees pay schedule, grade, annual rate, and hourly rate are loaded in the LPF record.

2. The LPF contains a standing or home FIP for the employee. The home FIP is used as default information to process labor costs if no other FIP and distribution exception information for the employee is processed into SABRS. The home FIP will point to

the work area and function that the employee normally works under.

3. Instructions for initial creation and subsequent maintenance of the LPF in SABRS is contained in the SABRS Labor User's Manual.

6008. LABOR EXCEPTION PROCESSING. Exceptions for labor are any event that affects pay, attendance status, or is a transfer of costs from one FIP to another. Exceptions for leave include those for annual, sick, administrative, holiday, compensatory time used, leave without pay, and absent without leave. Exceptions for pay purposes include overtime, dirty work, environmental work, etc.. Exceptions for cost transfers include work on reimbursable authorizations and loaned labor (loaned labor occurs when an employee works for another section, fund administrator, etc. outside of the section and work area where they normally perform their work at). Instructions for entering pay, leave, and loaned labor exceptions into SABRS are contained in the SABRS Labor User's Manual. For commands using DCPS as their payroll system, most exceptions for labor (i.e., pay exceptions, leave used, etc.) will be passed from DCPS to SABRS based on the exceptions entered into DCPS for time and attendance and pay exceptions.

6009. LABOR EXCEPTION CODES. The labor subsystem is driven on two digit codes for processing labor exceptions. These codes identify the type of leave exception, pay exception, and loaned labor exception to be processed. Proper exception code selection is essential for correct cost execution posting. The valid exception codes and their descriptions are contained in Appendix D of the SABRS Labor User's Manual. This appendix should be referred to when keying labor exceptions directly into SABRS.

6010. LABOR PROCESSING IN SABRS

1. SABRS will process the cost of labor through several steps in the system. Initially, the cost of labor is recorded when a labor cycle (this can either be daily, weekly, or bi-weekly) is run. The labor cycle will take exceptions entered into the system and distribute the cost to the appropriate FIP.

2. Each exception record has a badge number associated with the transaction. The system uses that badge number entered to find a matching record on the LPF. From the matching record on the LPF, SABRS extracts the employee's hourly rate and applies it to the hours of the exception entered into the system. The exception type code entered is also used to classify the exception for leave and to determine any additional cost in the case of pay exceptions.

3. Before the cycle for labor is run, the DAO office enters a control record into the system which determines how many labor hours are to process into the cycle and for which pay period these hours will be recorded against. SABRS will process the exception records and total up those hours affecting attendance. Exceptions affecting attendance are normally the leave exceptions keyed, overtime exceptions, and any labor distribution exceptions for hour transfers between FIP's.

4. SABRS will calculate the number of hours affecting labor in the cycle and subtract from this figure any exceptions affecting hours processed into the cycle. Any remaining hours (hours left after the calculation. Example: An 80 hour cycle for labor is run and 16 hours of leave exceptions are processed. This leaves 64 hours to process that is not specifically identified in any exception) left after this calculation are charged against the home FIP assigned to the individual in the LPF. The financial charge of reservation, obligation, and expense is processed based on the number of hours for the cycle times the hourly rate of the employee from the LPF.

5. If no exception hours are processed into SABRS for the pay cycle, the system assumes all work is chargeable against the home FIP assigned to the individual on the LPF. Care should be taken to ensure that the correct home FIP chargeable for the employee is loaded in the LPF.

6011. LABOR FIPS. FIPWs affecting labor are loaded to SABRS Local Table 025. This table is used to 'wild card' the subobject class code field. Subobject class codes for labor are tied to the various entitlements, leave conditions, and employee status of transactions entered and processed into the system. The system uses the exception codes entered and the LPF to automatically determine and assign the applicable subobject class to the cost processed for executed labor.

6012. LABOR TABLES

1. There are several tables that are required to properly execute and process labor in SABRS. These tables are essential for proper processing of payments, fringe benefit costs, accelerate labor, determine holidays, and schedule labor periods. The below tables must be maintained by each local command and DAO:

a. Labor Acceleration Percentage Table (SABRS Table Number 0D0) - This table is used to load the local acceleration rate used for calculating fringe benefit costs and for billing reimbursable customers.

b. Labor Acceleration Credit FIP Table (SABRS Table Number 0D1) - This table is used to load the applicable FIP's where acceleration credits should be posted.

c. Labor Adjustment Parameter Table (SABRS Table Number 0D2) - This table is used to set the internal system dollar amount that is used as the parameter for SABRS automatic adjustments for labor variances between the paid payroll and the processed obligation contained in SABRS.

d. Labor Compensatory Time FIP Table (SABRS Table Number 0D4) - This table is used to capture the cost for compensatory time earned and used in SABRS. A separate FIP needs to be loaded for each fund administrator and work center under the command.

e. Labor DNR FIP Table (SABRS Table Number 0E4) - This table is used to process and post the payment or liquidation for labor. This table assigns a FIP for the wages earned (OC 11) labor costs and each category of fringe benefit (OC 12) costs by subhead within the command.

f. Labor Holiday FIP Table (SABRS Table Number 012) - This table is used to post the cost of holiday pay for employee's who do not work the holiday to specific FIP's assigned for holiday cost collection.

g. Labor Pay Period Table (SABRS Table Number 013) - This table is used to load all the pay periods for a given calendar year. The pay periods are identified with beginning and ending dates around a 14 day period.

h. Labor Extract Records Table (SABRS Table Number 0I4) - This table is used to identify to SABRS the dates of exception records to be extracted and pulled into the SABRS labor cycle.

i. Labor Holiday Table (SABRS Table Number 0I6) - This table contains the Julian date of all official holidays for the year and a description of the holiday.

2. There are several other tables used for reconciliation and data capturing purposes within the labor subsystem of SABRS. For a complete list of all applicable labor tables, descriptions of the tables, and how to update the tables, refer to the SABRS Labor User's Manual.

6013. LABOR REPORTS

1. SABRS produces several reports containing labor execution, exception, and Labor Personnel File information. These reports require monitoring and verification to ensure the proper posting of labor execution information in the system. The key labor reports are:

a. L201 - Daily Labor Personnel Maintenance Report: This report will reflect any updates or changes to employee information contained in the SABRS Labor Personnel File. This report should be validated after any update, addition, or correction is made to the Personnel History File.

b. L202 - Labor Exception Report: This report provides a listing by individual badge number of all labor exceptions processed for the pay period. This report should be validated to ensure that all exceptions applicable to the employee, i.e., leave, pay, or loaned labor, have been processed for the labor update.

c. L101 - Processing Messages And Records Not Processed: This report provides a listing by badge number of labor transactions that did not process due to some error in the input record. This report should be worked as soon as received and validated to reprocess the transactions that did not update SABRS due to an error.

d. L220 - Daily Distributed Labor Report: This report provides a listing by badge number and financial information pointer of all hours and associated cost processed for the

individual in the SABRS labor cycle. This report also provides labor totals for hours and cost by the work center and fund administrator for the labor cycle processed.

e. L509 - Pay Period to Date Distribution Labor Report: This report is basically the same as the L220 only it provides the labor processed information based on the current pay period with total to date information concerning the amount of hours and cost accumulated for the year for labor by the work center and fund administrator.

f. L203 - Labor Reconciliation Report: This report is run after the pay period is complete and brings information from the actual payroll files back into SABRS for comparison with cost accumulated in the accounting system. The report show any variance between what was paid for the employee and the information recorded in the accounting system.

2. Labor reports should be validated when received and appropriate corrections made as soon as possible after validation. Labor corrections in SABRS become more difficult to locate and correct as each successive pay period is processed in the system.

6014. PAY AND LABOR BALANCING. After each payroll is processed by the assigned payroll office, the actual pay information for each employee under the given command is processed into SABRS for comparison and adjustment of cost amounts recorded in the accounting system. The actual paid payroll is used by SABRS as the actual cost that should be recorded for each employee. SABRS adjusts the amounts collected for labor for the payroll period in the accounting system so that labor costs by each individual employee equals the amount from the actual paid pay-roll. Adjustments made in amounts between the payroll and SABRS are posted against the home FIP assigned to the individual in the LPF. SABRS report number L203 will reflect any variances and the amount of adjustment processed into SABRS from the pay and labor balancing process. Amounts adjusted by the system from the pay and labor balancing process that exceed the adjustment parameter amount loaded in SABRS Local Table 0D2 will be flagged for user information.

6015. LABOR ACCELERATION

1. SABRS processes cost information on labor for both object class 11 (personnel compensation) and object class 12 (fringe benefits). Personnel compensation is based on the actual hourly salary an employee rates and the hours the individual worked (or was in an authorized leave payment status) during the pay period. The amount of cost for fringe benefits is processed through a calculation process in SABRS.
2. SABRS takes the cost for personnel compensation posted in the system and multiplies the amount by a rate factor established in SABRS Local Table OD0. This rate factor increases or 'accelerates' the amount of labor cost recorded in SABRS to account for the governments cost of fringe benefits and for the governments future liability incurred for each civilians annual leave accumulation.
3. The amount recorded for acceleration increases the reservation, obligation, and expense for labor in SABRS and creases the commands available balance. The command should monitor the amount posted in SABRS and compare this amount to payments made for fringe benefits from the actual payroll. Variances should be adjusted in SABRS to increase or decrease the amount posted for fringe benefits. Variances should be corrected using instructions contained on page 43 of the SABRS Labor Users Manual. These instructions require the FIP associated with the category of the fringe benefit to be decreased (in some cases increased) and a dollar value.
4. At least annually, the amount reflected in SABRS Local Table OD0 should be calculated and verified following the procedures established in the SABRS Labor User's Manual. If the percentage is too low to compensate for actual costs of fringe benefits, the figure in table OD0 should be increased, likewise if the figure is too high the figure should be lowered. The OD0 table can be adjusted during the year if the original calculation was in error or new benefit entitlements have been enacted.

6016. CIVILIAN PERSONNEL RESOURCES REPORTING SYSTEM

1. The Civilian Personnel Resources Reporting System (CPRRS) report reflects the cost of civilian labor by graded and ungraded employees. CPRRS displays these costs by the various breakdowns of object class 11, 12, and 13. The report also reflects the amount of labor cost incurred that was reimbursable and how much was spent on civilian permanent change of station.

2. The CPRRS report is produced by SABRS based on civilian payroll information collected. The CPRRS report is produced at the end of each month through the Monthly Labor Process (GF715MCO) run in SABRS.

3. The CPRRS report is important because of its use by higher authority to justify labor dollars executed and future budget requirements. NavCompt reviews the execution reported on CPRRS and compares it to the amounts of funding authorized for civilian labor. Comptrollers should review the amounts reported on CPRRS to the amounts reflected on the actual bi-weekly payroll to ensure the accuracy of labor information being reported to higher headquarters.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 7

BUDGET FORMULATION

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|---|------------------|-------------|
| GENERAL | 7001 | 7-3 |
| BACKGROUND | 7002 | 7-3 |
| FORMULATION AND EXECUTION RELATIONSHIP | 7003 | 7-4 |
| FORMULATION CODING STRUCTURE | 7004 | 7-5 |
| BUDGET FORMULATION FILE. | 7005 | 7-6 |
| | | 7-1 |

CHAPTER 7

BUDGET FORMULATION

7001. GENERAL

1. Procedures for input of budget formulation data have changed. This process is no longer accomplished through a Personal Computer software package, but has been developed as a mainframe application which is part of the suite of subsystems comprising SABRS.

2. The Budget Formulation subsystem is built around data tables for automatic assignment or verification of input information. The key to building formulation records in the subsystem is by use of Financial Information Pointers (FIP).

7002. BACKGROUND

1. Budget formulation is the creation of a formal plan that reflects how funds are expected to be spent or executed to support the missions and functions of a command. The formulation process for a specific fiscal year(s) begins with the budget call sent from Headquarters, Marine Corps (HQMC). The budget call will contain amounts that will be used by the commands to formulate the budget submission. These amounts are estimates when the budget call is forwarded and may change as successive steps of the budget approval process are completed.

2. The submission of each command's budget will be consolidated at HQMC for forwarding to the Navy Comptroller Office (NavCompt). NavCompt reviews the Marine Corps submission and forwards a combined Navy and Marine Corps budget submission to the Office of the Secretary of Defense (OSD) Comptroller for inclusion with the other services' budget submissions. During the Navy and OSD review of the budget submissions, marks (both increases and decreases) are made against the Marine Corps budget. After reviews are completed, OSD forwards a DoD budget submission to the Congress.

3. Congress reviews the budget submissions, making various changes to the request, and passes an appropriation bill which reflects Congressional adjustments. Once the Congress passes the

appropriation bill and the President of the United States signs the bill into law, the services are provided funds to operate within the specific fiscal year authorized. The approved appropriation is then distributed based on commands' budget submissions and the command is issued funds for operations through an Operating Budget (OPBUD). The OPBUD provides the command with the amount of funds authorized, by quarter, for incurring obligations and spending funds out of the United States Treasury for the purchase of goods and services.

7003. FORMULATION AND EXECUTION RELATIONSHIP

1. Budget formulation is the creation of a spending plan for the command to accomplish it's assigned missions. The budget plan reflects how each battalion, squadron, base element, and units will use funding provided for operating costs, such as the purchase of goods and services, paying civilian labor, etc..

2. Formulation is the spending plan. Budget execution is the actual spending of authorized funds. Through budget execution the goods and services are procured, civilians are paid, TAD trips and training are accomplished, etc.. The actual execution of the budget should relate and be comparable to the formulation plan. If funding was budgeted for the maintenance of tracked vehicles these funds are normally executed for that purpose. If funding was allocated for utilities in the formulation plan, normally these funds are executed or spent for utility services.

3. Budget formulation and execution complement each other. When deciding where funds are required to meet mission requirements during the formulation phase, the past years execution information is reviewed to see how funding was spent in prior years to support the assigned missions. Likewise, when spending or executing funds, the formulation plan is reviewed and used to allocate the available funds to each function for mission accomplishment.

4. Budget execution can also be used to justify additional funding requests. When OPBUD's are decreased while the missions of the command have not, past years' spending requirements can help when trying to justify budget increases. For example, if past years' funding was higher for vehicle maintenance and this level of funding maintained the vehicles at 95 percent readiness,

an increase request can be justified by using the reduced readiness level of the vehicles that is maintainable at the lower funding level.

5. Budget execution can also be an important factor, impacting on the commands ability to seek additional funding or maintaining a current funding level. If no extraordinary event has occurred requiring additional funding and the command is not spending the allotted funds within the parameters of their budget submission, the commands ability to justify funding increases or to even maintain their current funding level becomes difficult.

7004. FORMULATION CODING STRUCTURE

1. The budget formulation subsystem is built around the Financial Information Pointer. By the use of the FIP, several actions are accomplished. First, the required coding structures for usage identification are reflected. These structures are required for reflecting the purposes of funds through the various department levels of HQMC, Navy, and OSD. The following are codes used for the purpose of fund identification:

a. Appropriation - Identifies the department responsible for the funds authorized. Further identifies the applicable fiscal year and overall purpose of the approved funds, such as Operations and Maintenance. The appropriation code is assigned through treasury and acts as the 'bank account number' for fund identification.

b. Subhead - Identifies the office administering the funds provided by an appropriation and also the programs these funds are intended to support. Valid subheads are listed in paragraph 3007.4c.

c. Program Element Number - A general purpose code identifying the general functions that particular funds support. This code is the key identifier used in the DoD Future Year Defense Program or FYDP. Program element codes identify functions, such as base support, Moral, Welfare, and Recreation programs, ground forces, aviation units by type of aircraft, etc., and the funding and manpower projected to be allocated to the function. An example of a Program Element Code is 0206495M which represents funds for base communications.

d. Object Class - A code used to identify the type of expense, such as civilian labor, fringe benefits, TAD, supplies, equipment, etc. that will be incurred when the funds are used in the execution process.

e. Subobject Class - A code used to further breakdown the object class into greater detail of expense. Subobject Class codes will breakdown civilian labor object classes into expenses for regular salaries, overtime, etc.; travel into purpose and cost category; supply purchases into source, etc.. Subobject Class codes are established for all object classes to further define the type of expense that will be incurred.

f. Cost Account Code - A code used to identify the final purpose for which funds will be spent. Cost Account Codes identify lower functional areas within the program element to identify costs used for maintenance and the type of maintenance done, administrative support costs, computer support costs, schools and the course of instruction costs, etc..

2. When used in the formulation process, the above coding structures identify how funds will be used to support Marine Corps Missions. All these codes are identified through the use of the Financial Information Pointer. The FIP contains a Fund Code which is linked to an appropriation, subhead, and program element number. The FIP also contains a specific object class, subobject class, and cost account code. The FIP was chosen as the key for building formulation records because it identifies all the necessary elements required by higher headquarters and outside departments.

3. The FIP was further chosen as the key to building formulation records because the FIP is used as the key for cost collection during the budget execution phase. Every spending transaction entered into SABRS for material and services, labor, and TAD contains a FIP for cost classification. By using the FIP in formulation and the same FIP in execution, monitoring and comparing the two budget phases will be simplified for financial managers at each command.

7005. BUDGET FORMULATION FILE

1. The budget formulation-file is built through keying individual FIP's. Each FIP is designed to point to a specific spending function in the budget. Once the file is established in

the initial year of use, maintenance of the file will be required in later years. The user will be able to add new FIP's to the file when new programs or internal reorganizations occur or delete FIP's as programs are canceled.

2. Based on the FIP's entered into the file, all required exhibits and the OP-32 report are automatically created. The OP-32 is built based on the object class and subobject class codes entered with the FIP's. These object class and subobject class codes classify the information into the categories required by DoD. Additional budget exhibits are built based on the object class, subobject class, and cost account codes entered with the FIP. The cost account codes will classify costs to purpose and identify the activity group and subactivity group (AG/SAG) for these funds based on the SABRS internal AG/SAG structure that each cost account code is associated with. The relationship between the Cost Account codes and AG/SAG is explained in paragraph 3002.2f.

3. It is critical that all functions and types of expenses expected to be incurred by the command be reflected in the file through the use of an appropriate FIP. Initial building of the file will be time consuming, but future maintenance should involve reduced efforts.

4. Detailed instructions for using the Budget Formulation Subsystem are contained in the SABRS Budget Formulation Subsystem User's Manual. This Manual will provide keying instructions and examples of all exhibits and reports which can be created through the subsystem.

SABRS FINANCIAL PROCEDURES MANUAL

CHAPTER 8

COMPTROLLER OFFICE FUNCTIONS

| | <u>PARAGRAPH</u> | <u>PAGE</u> |
|--|------------------|-------------|
| GENERAL | 8001 | 8-3 |
| DISTRIBUTION OF AUTHORIZED FUNDS. . | 8002 | 8-3 |
| SUB-OPERATING BUDGET. | 8003 | 8-4 |
| OPERATING TARGET HOLDERS | 8004 | 8-5 |
| MONITORING AUTHORIZATION OF FUNDS . | 8005 | 8-5 |
| MONITORING FUND STATUS FOR COMMAND . | 8006 | 8-6 |
| COMPARING BUDGET EXECUTION TO GENERAL LEDGER. | 8007 | 8-7 |
| | | 8-1 |

CHAPTER 8

COMPTROLLER OFFICE FUNCTIONS

8001. GENERAL. As previously discussed in paragraph 1003 of this Manual, the comptroller and his or her staff have the responsibility for coordinating and monitoring financial information in order to provide the Commanding General or Commanding Officer with factual data essential for effective management control of the organization. To accomplish this function, the comptroller office is responsible for distribution of authorized funding to the commands fund administrators (in some cases to the work center level), monitoring execution of authorized funds, training financial personnel, and advising the commander on fund usage and fund availability.

8002. DISTRIBUTION OF AUTHORIZED FUNDING

1. Amounts authorized to a command are provided by Headquarters, Marine Corps on an operating budget (OPBUD). The OPBUD will contain the amount authorized for the current quarter (each fiscal year is broken up into four quarters, the first being October through December, the second being January through March, the third being April through June and the fourth being July through September), and projections for subsequent quarters. The OPBUD may also contain restrictions on how much or how little can be executed for specific programs directed by headquarters. OPBUD's are normally provided on a quarterly basis, with funding increases during the quarter authorized through a message. Sometimes the funding message authorizing an increase (decrease) will specify what the funding is to be used for (such as an environmental project, a family services project, etc.). When funds are authorized, headquarters will enter these amounts into the Headquarters Accounting System (HAS) for electronic distribution to the receiving command or OPBUD.

2. When amounts authorized are entered into HAS, they will be distributed to the OPBUD based on subhead. The authorization will be sent to the command through a default fund code that points to the subhead being authorized an increase or decrease of funding. The default fund codes used are:

a. XF = 17*1106.27A0

- b. XG = 17*1106.27B0
- c. XH = 17*1106.27L0
- d. XI = 17*1106.27M0
- e. XJ = 17*1106.27N0
- f. XK = 17*1106.27T0
- g. XX = 17*1107.27A0
- h. XY = 17*1107.27T0

3. Once commands receive the electronic transfer, the funds need to be distributed to the appropriate fund administrator (or at the commands discretion, funds are distributed to a specific work center within the fund administrator that will be executing funds). Funds are distributed using the Budget Execution Subsystem in SABRS. Instructions for distributing funds are contained in the Budget Execution User's Manual. Prior to distributing funds, commands must ensure that SABRS local table 080 (X-AUTH-ISS Maintenance Table) is loaded. Table 080 contains the issuing major activity (normally the OPBUD number) and an issuing fund administrator (normally a default fund administrator code of '00'). Table 080 also contains the major activity, fund administrator, and work center that funds will be issued or distributed to.

4. Comptroller offices will normally provide each fund administrator with a Planning Estimate. The planning estimate will contain the projected amounts to be authorized to the fund administrator for each fund code or major program that the fund administrator will administer. The planning estimate letters provide the fund administrator with projected funding levels in order for them to plan their fund execution to meet operational requirements.

8003. SUB-OPERATING BUDGET.

1. A Sub-Operating Budget -(Sub-OPBUD) occurs when a major command or function is subordinate to a higher command and all funding is passed to the higher command by headquarters. An example of this condition is the relationship between the

Commander, Marine Forces, Pacific and the Commanding General of III MEF (Marine Expeditionary Force). III MEF is a major command by itself, but is subordinate for operational purposes to the Commander of Marine Forces, Pacific. Headquarters, Marine Corps distributes all the funding authorized to the Commander of Marine Forces, Pacific, which will include the funding for III MEF. The Comptroller's office at Marine Forces, Pacific will then take the funds authorized by headquarters and re-distribute them to their subordinate activities through a Sub-OPBUD; in this case to III MEF.

2. When a Sub-OPBUD situation is created, all the reports and financial information pertaining to the subordinate command are 'rolled' up in SABRS to the major OPBUD holder for each end of the month reporting. The Sub-OPBUD holder will submit their funding requests and budgets through the actual OPBUD holder for consolidation of the overall command. The OPBUD holder will pass legal and administrative responsibility for the funds granted to the Sub-OPBUD holder when funds are issued for distribution.

3. The instructions for issuing funding from a OPBUD to a Sub-OPBUD are contained in the SABRS Budget Execution User's Manual. Sub-OPBUD holders will distribute authorized funds to their fund administrators or operating target holders (OPTAR's) in the same manner as described in paragraph 8002.

8004. OPERATING TARGETS HOLDERS. An OPTAR is a sub-division of a sub-OPBUD. In the previously discussed example of Marine Forces, Pacific sending money to the sub-OPBUD holder at III MEF, the MEF Commander will further distribute the funding received from Marine Forces, Pacific. The Commander, III MEF will issue OPTAR's to his major subordinate commands, which are the Division, Fleet Service Support Group, and Airwing. When OPTAR's are used to further sub-divide a sub-OPBUD, only administrative responsibility is passed. The legal responsibility resides at the sub-OPBUD holder level. Funds are distributed from the sub-OPBUD to the OPTAR holder in the same manner as described in paragraph 8002.

8005. MONITORING AUTHORIZATION OF FUNDS. SABRS produces several reports to inform the Comptroller's office of authorizations and targets received and of funds distributed to fund administrators for the OPBUD or Sub-OPBUD. These reports should be reviewed to

ensure the amounts authorized and the amounts that were issued to fund administrators have posted in SABRS. These reports are:

1. XR31 - Authorizations/Targets Received: This report will identify the amount of authorizations or targets received by the OPBUD or Sub-OPBUD that can be distributed by the command.
2. XR02 - Authorizations Issued: This report will reflect the amount of funds passed by the comptroller to each fund administrator. This report should be checked to ensure the amount posted in SABRS is equal to the amount that is proper for issuing to each fund administrator.

8006. MONITORING FUND STATUS FOR COMMAND

1. There are several tools available to the comptroller and his/her staff for monitoring the execution of their OPBUD or Sub-OPBUD. The Reports Inquiry Subsystem (described in paragraphs 2003.3i and 4006) can be used to obtain status on individual fund administrators, work centers, or on the overall command. These inquiries can be done by fiscal year within a specific appropriation and subhead.
2. Another source of information on the commands fund execution is provided through reports generated after a SABRS cycle. The key reports for monitoring fund execution will be provided either on paper or can be obtained through INFOPAC (described in paragraph 4005). Key reports and their descriptions are:
 - a. XR04 - Budget Execution Report - MAC, Report A: Direct Funds Summary By FA: This report will provide a summary of direct funds by appropriation and subhead, for each fund administrator within a command. The report reflects the amounts of authorizations issued to each fund administrator and the amounts of recorded reservations and obligations for each fund administrator. This report is cumulative 'to date.
 - b. XR19 - Budget Execution Report Direct Funds By AG/SAG/MAC/FA: This report will provide a summary of authorizations, reservations, and obligations for each fund administrator within the command broken down by activity and subactivity group codes. This report is cumulative to 'date.
 - c. XR16 - Direct Funds Fund Administrator Management Report: This report will provide a summary of direct funds by

appropriation, subhead, and fund administrator for each command. The report will break down authorizations, reservations, obligations, expenses, and liquidations for each fund administrator with executed object and subobject classes. This report is cumulative to date.

d. XR20 - Budget Execution Report Direct Funds Summary by AG/SAG/CAC: This report provides the basic reservation and obligation status for a command broken down by the applicable cost account codes and their related activity and subactivity groups that were used when funds were executed. This report is broken down by appropriation and subhead and provides overall totals for the command. This report is cumulative to date.

8007. COMPARING BUDGET EXECUTION TO GENERAL LEDGER

1. SABRS information updates two separate files for execution information. One is the Budget Execution File which provides Comptrollers, Fund Administrators, and Work Centers information on funds executed and classifies these costs into areas related to coding structures in the financial information pointers. The second file is the General Ledger which takes all the execution information and classifies information into summary accounts such as disbursements, outstanding obligations, etc..

2. Information contained in the general ledger is what DFAS uses to report the overall financial position and status of an OPBUD. This information is combined for the entire Marine Corps and reported to the Department of the Navy. It is essential that the information reflected on the general ledger is reasonable and equals the total amounts posted to the budget execution file.

3. Monthly, the comptroller office should do a comparison between totals posted in the budget execution file and amounts reflected in the commands general ledger report. The key accounts to verify from the general ledger to the amounts reflected in budget execution are:

a. Direct Authorizations - Review account 45810 (Allotments Received - Direct Program). The amount reflected should equal the total amount of direct authority granted to the OPBUD or Sub-OPBUD for the specific subhead and fiscal year being reviewed and compared to the amounts reflected in the commands budget execution reports.

b. Direct Obligations - Add together accounts 48100 (Undelivered Orders - Direct Program), 49100 (Accrued Expenditures - Unpaid - Direct Program), and 49300 (Accr Expenditures - Paid - Direct Program). The total of these three accounts should equal the amount of obligations recorded in the commands budget execution reports for the specific subhead and fiscal year being reviewed.

c. Direct Expenses - Add together accounts 49100 (Accrued Expenditures - Unpaid - Direct Program) and 49300 (Accr Expenditures - Paid - Direct Program). The total of these two accounts should equal the amount of expenses recorded in the commands budget execution reports for the specific subhead and fiscal year being reviewed.

d. Liquidations - The accounts effecting payments will contain all the payments made (both for direct and reimbursable programs) for the command. Liquidation amounts are verified by taking the amount reflected in account 10120 (Funds Disbursed) and subtracting the amount reflected in account 10150 (Undistributed Disbursements).

SABRS FINANCIAL PROCEDURES MANUAL

INDEX

A

| | |
|--|---------|
| Accounting Classification Code | 3007 |
| Accounting Classification Reference Number | 3007.4a |
| Accounting Levels | 2002 |
| Activity Address Code | 3008.2a |
| Activity Group Code | 3002.2f |
| Allocations: | |
| Subsystem Description | 2003.3k |
| Purpose | 5006 |
| Appropriation Symbol | 3007.4b |
| Authorizations: | |
| Distribution | 8002 |
| Monitoring | 8005 |
| Authorized Accounting Activity | 3007.4g |

B

| | |
|--------------------------------------|---------|
| Badge Number | 6006 |
| Budget Execution: | |
| Subsystem Description | 2003.3j |
| Reports | 4004.3a |
| Relationship With Budget Formulation | 7003 |
| Budget Formulation: | |
| Subsystem Description | 2003.3i |
| Function Description | 7002.1 |
| Coding Structure | 7004 |
| File Structure | 7005 |
| Budget Reporting Code | 3002.2g |
| Bureau Control Number | 3007.4e |

C

| | |
|------------------------------|---------|
| Comptroller: | |
| Responsibilities | 1003 |
| Operations | 8001 |
| Cost Code | 3007.4j |
| Cost Account Code | 3002.2f |
| CPPRS | 6016 |
| Customer (See Reimbursables) | |

INDEX-I

SABRS FINANCIAL PROCEDURES MANUAL

D

| | |
|--|--------|
| Defense Civilian Payroll System | 6004.2 |
| Defense Finance and Accounting Service | 1005 |
| Documents: | |
| Source Forms | 3009 |
| Files And Records | 4002 |
| Document Numbers | 3008 |

E

| | |
|---------------------------------|--------|
| Expenditures (See Liquidations) | |
| Expenses | 2004.C |

F

| | |
|---|---------|
| Financial Information Pointer: | |
| Description and Elements | 3002 |
| Loading Into SABRS | 3003 |
| Listing Of Financial Information Pointers | 3004 |
| Fiscal Year: | |
| Appropriation Symbol | 3007.4b |
| Document Numbers | 3008.3b |
| Fund Administrator | 3002.2b |
| Fund Code | 3002.2d |
| Fund Status: | |
| Command | 8006 |
| Fund Administrator | 4008 |

G

| | |
|---------------------------------|---------|
| General Ledger: | |
| Subsystem Description | 2003.3b |
| Comparision to Budget Execution | 8007 |

H

SABRS FINANCIAL PROCEDURES MANUAL

INFOPAC 4005

J

Job Order Number (Local Use Code) 3002.2h
 Julian Date 3008.2b

K

L

Labor, Civilian:

| | |
|--------------------------------|---------|
| Acceleration | 6015 |
| Balancing | 6014 |
| Exception Codes | 6009 |
| Exception Processing | 6008 |
| Financial Information Pointers | 6011 |
| Functions | 6003 |
| Labor Personnel File | 6007 |
| Pay Schedules | 6002 |
| Reports | 6013 |
| Subsystem Description | 2003.3h |
| Tables | 6012 |
| Time and Attendance | 6004 |
| Liquidation | 2004.d |

M

Material and Services:

| | |
|-------------------------|---------|
| Files | 4002.2b |
| Processing Transactions | 3010 |
| Reports | 4004.3b |
| Subsystem Description | 2003.3g |
| Memorandum Records | 4008 |
| Monitoring Transactions | 4003 |

SABRS FINANCIAL PROCEDURES MANUAL

N

O

Object Class:

| | |
|--------------------------------|---------|
| Accounting Classification Code | 3007.4d |
| Financial Information Pointer | 3002.2e |
| Obligation | 2004.b |
| Operating Budget | 1004.1a |
| Operating Target | 8004 |

P

| | |
|------------------------------------|---------|
| Payment (see liquidation) | |
| Payment Reconciliation | 4009 |
| Pending Files | 4002.1a |
| Performer (see reimbursable) | |
| Plant Property Accounting Activity | 3007.4i |
| Posted Files | 4002.1b |
| Program Element | 7004.1c |

Q

R

| | |
|---------------------------|---------|
| Reservation | 2004.a |
| Reimbursable: | |
| Customer | 5001.1a |
| Economy Act Order | 5002.1a |
| Monitoring Status | 5004 |
| Orders | 5001 |
| Performer | 5001.1b |
| Project Order | 5002.1b |
| Recording in SABRS | 5003 |
| Reports | 5004.4 |
| Subsystem Description | 2003.3c |
| Reimbursable Billing Code | 3002.2j |
| Reimbursable Order Number | 3002.2i |

SABRS FINANCIAL PROCEDURES MANUAL

Report Inquires:

| | |
|-----------------------|---------|
| Subsystem Description | 2003.3i |
| Subsystem Use | 4006 |

S

| | |
|--|---------|
| Standard Accounting, Budgeting, and Reporting System | 2001 |
| Serial Number | 3008 |
| Subactivity Group | 3002.2f |
| Suballotment Number | 3007.4f |
| Subhead | 3007.4c |
| Subobject Class | 3002.2e |
| Sub-Operating Budget | 8003 |
| Source Document (see Documents) | |

T

| | |
|-----------------------------------|---------|
| Table Mangement | 2003.3m |
| Travel: | |
| Files | 4002.2a |
| Processing Transactions | 3011 |
| Reports | 4004.3c |
| Subsystem Description | 2003.3f |
| Transaction Cycle | 2004 |
| Transaction Type Code | 3007.4h |
| Transaction Type, Document Number | 3008.3c |

U

| | |
|------------------------|--------|
| Undistributed Payments | 4009 |
| Unfilled Orders: | |
| Description | 4011.1 |
| Validation | 4011.2 |

V

SABRS FINANCIAL PROCEDURES MANUAL

W

| | |
|--|---------|
| Work Center | 3002.2c |
| Work Request (see Reimbursable Orders) | |
| Work Units | 5007 |

X

Y

Z